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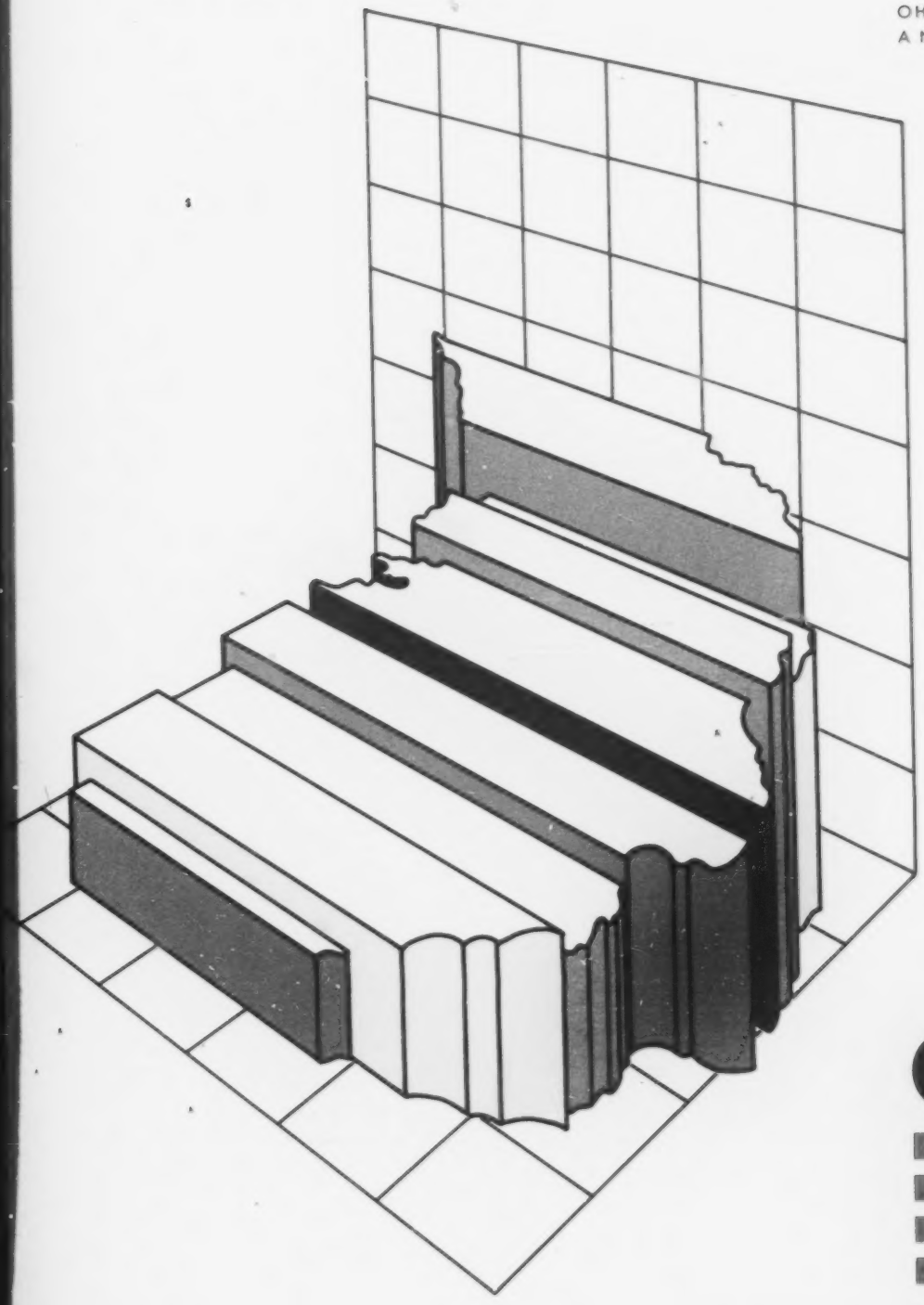
STATE OF OHIO
RICHARD F. CELESTE, GOVERNOR

OHIO OFFICE OF BUDGET
AND MANAGEMENT



OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 1988

ACKNOWLEDGMENTS

Report prepared by the Office of Budget and Management, State Accounting, Financial Reporting Section:

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Special appreciation is given to Linda M. Dunbar and H. Russell Bowermaster, as well as, all fiscal and accounting personnel throughout the State whose extra efforts to contribute accurate, timely financial data for their agencies made this report possible.

RICHARD F. CELESTE
GOVERNOR

L. LEE WALKER
DIRECTOR
OFFICE OF BUDGET
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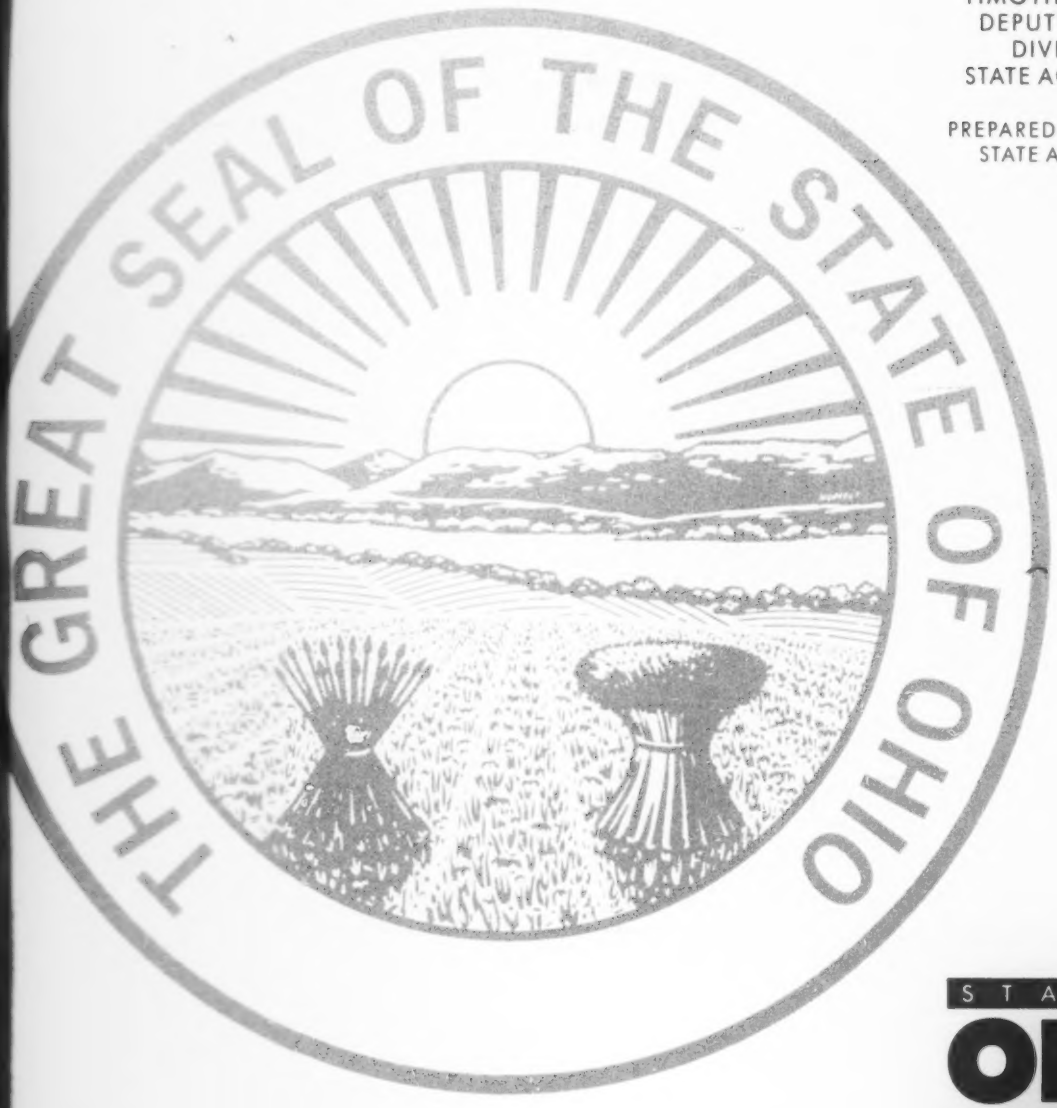

STATE OF OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 1988

STATE OF OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

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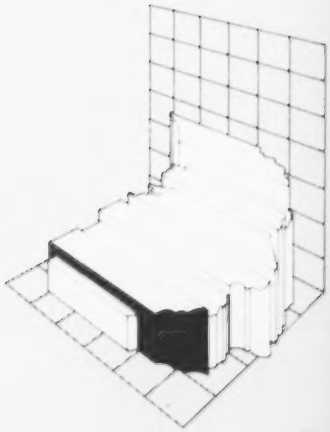


INTRODUCTORY SECTION

State of Ohio · Office of Budget and Management
30 East Broad Street · Columbus, Ohio 43266-0411

February 15, 1989

To the Governor, the Honorable Members of the General Assembly and the Citizens of Ohio:

It is my privilege to issue the Comprehensive Annual Financial Report (CAFR) on the financial condition of the State of Ohio for the fiscal year ended June 30, 1988. The report is prepared in conformance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board.

This report was prepared by the Ohio Office of Budget and Management pursuant to Section 126.21 of the Ohio Revised Code which requires that an official financial report of the State be issued annually. The report includes General Purpose Financial Statements (GPFS), which provide an overview of the State's financial position and the results of financial operations by fund type. The GPFS have been audited jointly by the Office of Auditor of State, Thomas E. Ferguson, and Ernst & Whinney, a nationally recognized certified public accounting firm. The results of this audit, the State's first such audit, are included in this report.

The Office of Budget and Management is responsible for the accuracy of the data presented and the completeness and fairness of its presentation, including all disclosures.

The State's General Purpose Financial Statements include all funds and account groups for which the State exercises "oversight responsibility." We used the criteria established in the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, to determine the funds and account groups over which the State has this responsibility. Note 1.A. to the financial statements explains more fully which financial activities are included in and which are excluded from the State's reporting entity.

In addition to the General Purpose Financial Statements, the CAFR includes the following: introductory information; combining financial statements that present summarized information by individual fund; supporting schedules; fund descriptions; and statistical tables that present financial, economic, and demographic data about the State.

FINANCIAL PRESENTATION

The data in the financial statements are presented in accordance with a fund classification system prescribed by the Governmental Accounting Standards Board. The purpose of this system is to improve the comparability of the financial reports of different governmental units.

The system has three categories of funds: governmental, proprietary, and fiduciary. Each category is divided into several "fund types."

Governmental fund types are those through which State functions are financed. There are four governmental fund types: General, special revenue, capital projects, and debt service funds.

Proprietary fund types are used to account for activities that are commercial in nature -- similar to those often found in the private sector. There are two proprietary fund types: enterprise and internal service funds.

Fiduciary fund types include trust funds, which account for assets held by the State in a trustee capacity, and agency funds, which account for assets held by the State as an agent for individuals, private organizations, other governments, or other funds.

We have adopted a reporting format for our Comprehensive Annual Financial Report that is significantly different from the way the State has traditionally reported its finances. The most obvious difference is that the "General Fund" in the CAFR includes more than just the State's General Revenue Fund. The General Fund also includes the Budget Stabilization Fund and reimbursement-supported funds used for activities administered by State agencies and departments for which special revenue or proprietary fund classifications were considered to be inappropriate.

Another difference is that for the State's special revenue fund type, more than 270 funds accounted for in the State's Central Accounting System have been summarized into 15 fund columns in the combining statements for the special revenue funds. In addition, unappropriated financial activities such as the workers' compensation and unemployment insurance functions are presented for the first time with traditional budgetary data.

The requirements of reporting in conformity with Generally Accepted Accounting Principles enable Ohio's government officials and other interested parties to view the State's financial condition in a more comprehensive manner.

INDEPENDENT AUDIT RESULTS

The outcome of the joint audit conducted by the Auditor of State and Ernst & Whinney, in accordance with generally accepted auditing standards, was an unqualified auditor's report ("clean opinion") on the governmental and fiduciary funds and account groups.

For the enterprise fund type, the audit highlighted inadequacies in claims history records maintained by the Bureau of Workers' Compensation (BWC). These deficiencies, cited in a separate report issued by BWC's independent auditors, Peat Marwick Main & Co., affect the actuarial estimates made for claims incurred. Because of these and other matters, the State's auditors were unable to render an opinion on the enterprise fund type, within which Workers' Compensation represents the predominant activity.

For the internal service fund type, deficiencies in fixed asset recordkeeping resulted in a qualification of the auditors' report on this fund type.

The State is working to resolve these deficiencies so that improved financial reporting will be achieved.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

In fiscal year 1988, the State completed the phased implementation of its new Central Accounting System (CAS). CAS replaced an obsolete 20-year-old accounting system and is the cornerstone of Ohio's revitalized financial management environment.

CAS achieves budgetary control over the various accounts of the State's funds. The bicameral legislature, the General Assembly, authorizes expenditures by appropriating funds in biennial and supplemental appropriation acts. The Office of Budget and Management uses CAS to control subsequent departmental obligation and expenditure activity to ensure that the authorized appropriations are not exceeded.

The State's budgetary financial statements are prepared on a modified cash basis of accounting. This means that revenues are recognized when cash is received and expenditures are recognized when cash is paid. Encumbrances, reservations of appropriation authority as of June 30, the end of the State fiscal year, are reflected as expenditures on the budgetary basis of accounting.

The State's GAAP financial statements for the governmental and expendable trust funds have been prepared on a modified accrual basis of accounting. This means that revenues are recognized when measurable and available; expenditures are recognized when goods or services are received or liabilities incurred. The enterprise, internal service, and pension trust funds are accounted for on the accrual basis of accounting. This means that revenues are recognized when earned and expenditures are recognized when incurred.

Additional discussion of the budgetary and GAAP bases of accounting is provided in Note 1 to the financial statements.

CAS maintains all budgetary-basis transactions and most GAAP-basis adjustments. In addition to the information obtained from the CAS for financial reporting, selected financial information provided by the State' s agencies and departments is compiled to complete the GAAP-basis financial statements.

Differences between the two bases of accounting (budgetary vs. GAAP) include: (1) entity differences--the GAAP reporting entity may include organizations such as financing authoritities and other component units that are not included in the State's budget; (2) basis differences -- the GAAP basis results in the reporting of accruals while the budgetary basis results in the reporting of cash transactions; and (3) timing differences -- for example, GAAP recognizes expenditures for payables for goods and services received, whereas the budgetary basis considers unliquidated encumbrances as expenditures. A reconciliation between the GAAP-basis and budgetary-basis financial statements is presented in Note 3 to the financial statements.

CASH MANAGEMENT

In Ohio, with the exception of certain component units of the State that have independent powers to manage and invest their funds, the Treasurer of State is responsible for investing the State's cash pool. During fiscal year 1988, cash management and investment transactions made by the Treasurer of State's Office, in accordance with the Uniform Depository Act, were limited to checking accounts and certificate of deposits with qualified public depositories, U.S. government and agency obligations, and repurchase agreements. For fiscal year 1988, investment earnings on the State's cash pool managed by the Treasurer of State totaled $139.5 million.

Quarterly, the Office of Budget and Management allocates the interest income earned on the cash pool to the various funds designated by law to receive the earnings. The allocation is calculated in accordance with a formula that is based on average daily cash balances invested during the quarter.

GENERAL GOVERNMENTAL FUNCTIONS

Major revenue sources for governmental fund types, recorded on a modified accrual basis, include the following: several tax sources (income, sales, corporate and public utility, motor vehicle fuel, and other taxes); federal government assistance; licenses, permits, and fees; sales, services, and charges; and other revenues.

Expenditures for governmental fund types, presented on the modified accrual basis, are shown for the following functions of general government: support for primary, secondary, and higher education; public assistance and medicaid; health and human services; justice and public protection; environmental protection and natural resources; transportation; general government services; community and economic development; local government support and tax relief; capital outlay; and debt service.

An analysis of revenues and expenditures for all governmental funds reported for fiscal year 1988 is shown in the graphic presentation that follows this letter.

DEBT ADMINISTRATION

Ohio's credit ratings by both Moody's Investors Service, Inc. (Moody's) and Standard & Poor's Corporation (S&P) for certain State general obligation bonds are Aa and AA, respectively, except that S&P rates the State's Highway Obligations and the Highway Improvement bonds AAA. Obligations issued by the Ohio Building Authority (OBA) and the Ohio Public Facilities Commission (OPFC) are rated A+ by S&P and A by Moody's. S&P upgraded its rating for OBA and OPFC obligations from A to A+ in September 1988.

As of June 30, 1988, the State reported a total of $3.9 billion in outstanding debt issues in its General Long-Term Obligations Account Group as follows (amounts expressed in millions):

	Outstanding Balance as of June 30, 1988	Percentage Increase (Decrease) Since June 30, 1987
GENERAL OBLIGATION BONDS	$ 757	+ 2.9%
SPECIAL OBLIGATION BONDS	2,982	+ 5.0%
REVENUE BONDS	167	-27.0%
TOTAL	$3,906	

In addition, Ohio reported $57.4 million in revenue bonds outstanding (net of unamortized discounts of $4 million), as of June 30, 1988, for the proprietary funds, representing a 2.4 percent decrease since June 30, 1987.

RETIREMENT SYSTEMS

State employees may be eligible to participate in the Public Employees Retirement System (PERS), the State Teachers Retirement System (STRS), or the State Highway Patrol Retirement System (SHPRS).

Further information on the State's participation in the retirement systems can be found in Note 9 to the financial statements.

ECONOMIC OVERVIEW AND OUTLOOK

Ohio's economic growth has typically lagged behind U.S. economic growth and national recessions have hit Ohio harder than the U.S. as a whole. This has been due mainly to Ohio's strong dependence upon manufacturing, especially the steel and auto industries.

In recent years, however, employment growth in Ohio has been concentrated largely in the service and non-manufacturing sectors. Since January 1983, Ohio's heavy industry and manufacturing concerns have substantially revitalized plant and equipment which contributed to significant improvements in productivity, production capacity, and competitiveness. These developments have contributed to a reversal of Ohio's economic performance. Now a lessor portion of employment is devoted to manufacturing. The unemployment rate has dropped from a high of 13.8 percent to approximately six percent.

Budget planning has commenced for the 1990-91 biennium, July 1, 1989 through June 30, 1991. The economic forecast for the short-range future is that the nation and Ohio will experience slow, but continued growth. Additionally, most economists are not projecting a recession during the forecast period.

JOBS AND BUSINESS IN OHIO

Some recent highlights on jobs and business in Ohio include the following:

- Ford and Nissan are investing nearly a billion dollars in an Avon Lake truck plant—the largest single expansion project in Ohio's history. The State and the Lorain County Community College teamed up to help retrain auto workers for the plant.

- Honda of America Mfg., Inc. is building a second plant in Marysville and has begun exporting Ohio-made automobiles.

- Figgie International, one of the nation's fastest growing Fortune 500 companies, moved its headquarters back to Cleveland after eight years out of state.

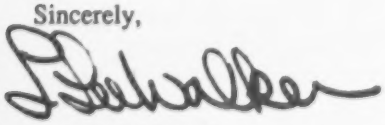
- More than 300 foreign companies, including 100 Japanese firms, now call Ohio home.

- Continuation of the Ohio Thomas Edison Program as well as coal technology and minority business development programs have helped finance businesses and research projects.

ACKNOWLEDGMENTS

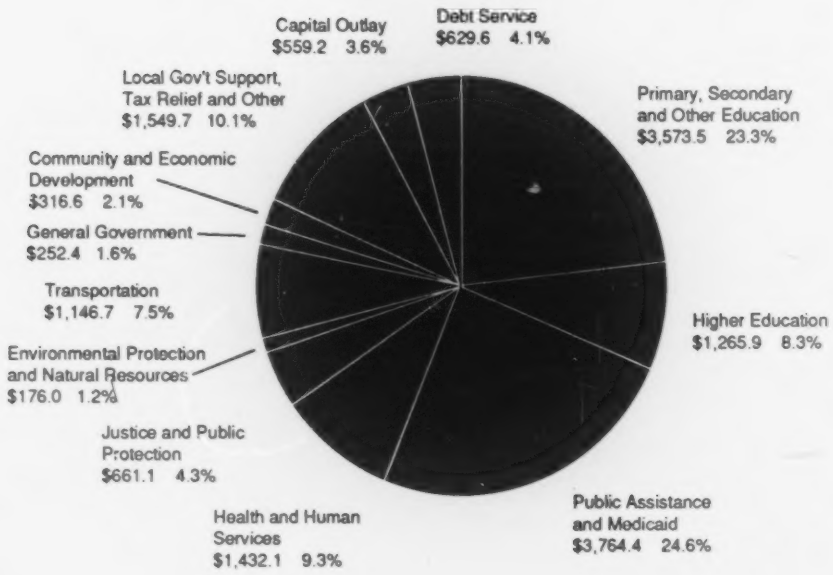
In conclusion, I wish to express my appreciation to the staffs of the various State agencies whose time and dedicated efforts made this report possible.

Sincerely,

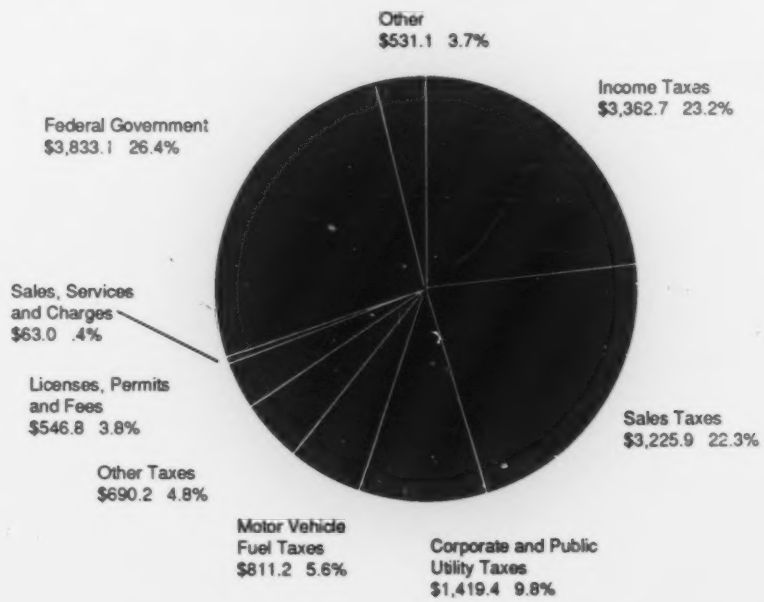


L. LEE WALKER
Director

Expenditures for All Governmental Funds
State Fiscal Year 1988
(millions of dollars)



Revenues for All Governmental Funds
State Fiscal Year 1988
(millions of dollars)



STATE OF OHIO OFFICIALS

EXECUTIVE

Richard F. Celeste
Governor

Paul R. Leonard
Lieutenant Governor

Anthony J. Celebrezze, Jr.
Attorney General

Thomas E. Ferguson
Auditor of State

Mary Ellen Withrow
Treasurer of State

Sherrod C. Brown
Secretary of State

LEGISLATIVE

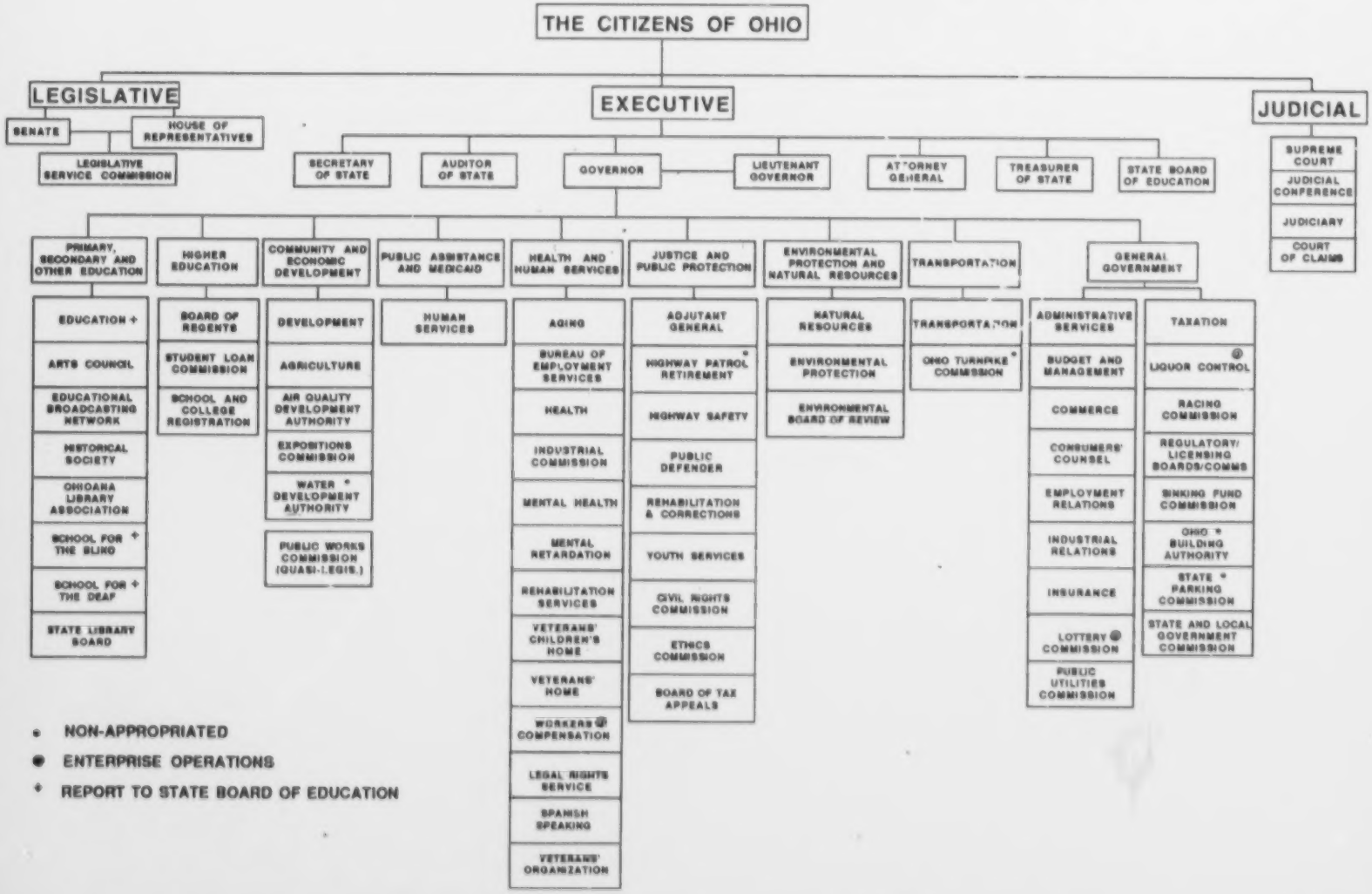
Stanley J. Aronoff
President of the Senate

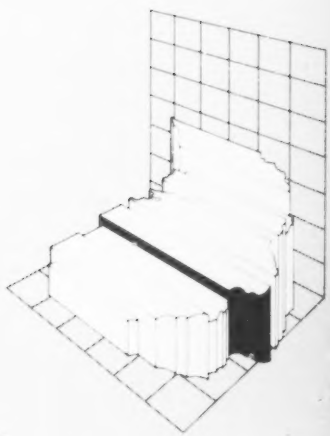
Vern Riffe
Speaker of the House

JUDICIAL

Thomas J. Moyer
Chief Justice,
Supreme Court

STATE OF OHIO ORGANIZATION CHART





FINANCIAL SECTION

THOMAS E. FERGUSON
AUDITOR OF STATE
COLUMBUS, OHIO 43266-0040

Ernst & Whinney
2400 Nationwide Plaza
Columbus, Ohio 43215

REPORT OF INDEPENDENT AUDITORS

February 3, 1989

The Honorable Richard F. Celeste, Governor
State of Ohio
Columbus, Ohio

We have audited the accompanying general purpose financial statements of the State of Ohio, as of and for the year ended June 30, 1988, as listed in the table of contents. These financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the following component units and funds: the Ohio Air Quality Development Authority, the Ohio Water Development Authority, the Ohio Housing Finance Agency, the Economic Development Financing Division, the Minority Development Finance Commission, the Ohio Public Facilities Commission, the Ohio Bureau of Employment Services, the Ohio Turnpike Commission, the Ohio Building Authority, the State Parking Commission, the Ohio Bureau of Workers' Compensation and Industrial Commission of Ohio and the State Highway Patrol Retirement System, which statements reflect the following percent of total assets or liabilities and revenue of the indicated fund type and account groups:

	Percent of Total Assets/(Liabilities)	Percent of Total Revenues
Special Revenue fund type	21%	15%
Debt Service fund type	73%	8%
Capital Projects fund type	15%	14%
Enterprise fund type	91%	40%
Internal Service fund type	73%	72%
Trust and Agency fund type	29%	100%
General Fixed Assets account group	42%	----
General Long-Term Obligations account group	(69%)	----

The financial statements of these component units and funds were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts of these component units and funds included in the fund types and account groups comprising the general purpose financial statements is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

As more fully described in Notes 8 and 15, information is not available to include certain fixed assets, accumulated depreciation, depreciation expense and capital lease obligations of the Ohio Data Network, the Ohio Penal Industries and the Ohio Telecommunications funds which are reported as part of the internal service fund type.

As more fully described in Note 18, the accounting records of the Ohio Bureau of Workers' Compensation and Industrial Commission of Ohio are not adequate to permit proper measurement of certain assets and liabilities, including estimates of reserves for claims. In addition, the outcome of several litigation matters is uncertain. The scope of work of their independent auditors was not sufficient to enable them to express an opinion and they did not express an opinion on the financial statements of the Ohio Bureau of Workers' Compensation and Industrial Commission of Ohio, which are reported as part of the enterprise fund type.

Because the auditors of the financial statements of the Ohio Bureau of Workers' Compensation and Industrial Commission of Ohio, as described in the previous paragraph, did not express an opinion on such financial statements which statements reflect total assets of 91 percent and revenues of 40 percent of the related totals of the enterprise fund type, we are unable to and do not express an opinion on the financial statements of the enterprise fund type.

In our opinion, based on our audit and reports of other auditors, and except that the omission of certain fixed assets, accumulated depreciation, depreciation expense and capital lease obligations as described in the third preceding paragraph results in an incomplete presentation for the internal service fund type, the general purpose financial statements referred to in the first paragraph, other than those of the enterprise fund type on which we disclaim an opinion as described in the previous paragraph, present fairly, in all material respects, the financial position of the State of Ohio at June 30, 1988, and the results of its operations and the cash flows of its internal service fund type and pension trust fund for the year then ended in conformity with generally accepted accounting principles.

As more fully described in Note 19, certain expenditures incurred by the Ohio Bureau of Employment Services special revenue fund and which were reimbursed under federal awards have been questioned in the amount of $51,343,260. The amount of expenditures which may be ultimately disallowed by grantor agencies and repaid by the Bureau is not presently determinable, and no provision has been made in the financial statements for the effect, if any, of such repayment.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements and schedule listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Ohio. Such information has been subjected to the auditing procedures applied in our audit of the general purpose statements and, in our opinion, except with respect to the enterprise fund type and the omission of certain internal service fund information, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

We did not examine the data included in the statistical section of this report and, therefore, express no opinion thereon.

Thomas E Ferguson

Ernst & Whinney

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GENERAL PURPOSE FINANCIAL STATEMENTS

STATE OF OHIO

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1988

(amounts expressed in thousands)

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	TOTAL (MEMORANDUM ONLY)
ASSETS										
Cash Equity with Treasurer	$ 862,195	$ 922,693	$ 116,892	$ 184,946	$ 23,490	$ 25,684	$ 191,536	$ —	$ —	$ 2,327,436
Cash with Custodian	290	7,909	6,857	4,781	16,715	1,486	38,527	—	—	76,565
Deposit with Federal Government	—	—	—	—	—	—	303,850	—	—	303,850
Security Deposits	—	—	—	—	—	—	252,443	—	—	252,443
Investments	—	114,573	273,232	22,268	5,431,370	2,269	1,062,650	—	—	6,906,362
Receivables:										
Taxes	551,286	133,302	26,044	—	—	—	—	—	—	710,632
Intergovernmental	221,067	132,143	—	—	—	1,240	—	—	—	354,450
Employer Contributions	—	—	—	—	—	—	200,465	—	—	200,465
Premiums and Assessments	—	—	—	—	1,162,502	—	—	—	—	1,162,502
Loans, Net	—	184,102	—	—	—	—	—	—	—	184,102
Other	6,276	22,997	3,934	1,288	90,115	4,809	47,922	—	—	177,341
Due from Other Funds	7,739	86,111	134,076	7,188	1,751	32,267	2,584	—	—	271,716
Advance to Other Funds	525	—	—	—	—	1,802	—	—	—	2,327
Inventories	1,533	32,705	—	—	22,058	12,560	—	—	—	68,856
Advance Payments to Subrecipients	—	23,495	—	—	—	—	—	—	—	23,495
Deposit with Deferred Compensation Plan	—	—	—	—	—	—	175,811	—	—	175,811
Restricted Assets:										
Cash and Investments	—	37,743	—	—	—	413,635	—	—	—	451,378
Cash Equity with Treasurer	—	—	—	—	386,957	—	—	—	—	386,957
Dedicated Investments	—	—	—	—	174,362	—	—	—	—	174,362
Other	—	—	—	—	4,482	13,394	—	—	—	17,876
Fixed Assets	—	—	—	—	67,788	4,558	—	2,077,574	—	2,149,920
Less Accumulated Depreciation	—	—	—	—	(33,968)	(1,949)	—	—	—	(35,917)
Other Assets	—	10,893	—	—	86,747	59,812	41	—	—	157,493
Amount Available in Debt Service for General Long-Term Obligations	—	—	—	—	—	—	—	—	556,577	556,577
Amount to be Provided for the Retirement of General Long-Term Obligations	—	—	—	—	—	—	—	—	3,791,603	3,791,603
TOTAL ASSETS	**$ 1,650,911**	**$ 1,708,666**	**$ 561,035**	**$ 220,471**	**$ 7,434,369**	**$ 571,567**	**$ 2,275,829**	**$ 2,077,574**	**$ 4,348,180**	**$ 20,848,602**

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	TOTAL (MEMORANDUM ONLY)
LIABILITIES AND FUND EQUITY										
Liabilities:										
Accounts Payable	$ 47,008	$ 115,443	$ —	$ 3,017	$ 19,362	$ 11,611	$ —	$ —	$ —	$ 196,441
Medicaid Claims Payable	337,165	—	—	—	—	—	—	—	—	337,165
Accrued Liabilities	88,234	235,072	—	21,204	9,198	33,036	880,433	—	—	1,267,177
Due to Other Funds	74,155	15,198	—	1	2,250	141,898	43,281	—	—	276,783
Deferred Revenues	173	55,657	—	—	22,758	12,363	—	—	—	90,951
Workers' Compensation Benefits Payable	—	—	—	—	8,610,148	—	—	—	—	8,610,148
Refund and Other Liabilities	343,939	42,464	5,286	4,429	409,398	6,306	541,698	—	—	1,353,520
Liability for Deferred Compensation	—	—	—	—	—	—	177,035	—	—	177,035
Liabilities Payable from Restricted Assets:										
Lease Obligations and Other	—	—	—	—	161	96,270	—	—	—	96,431
Deferred Prize Awards Payable	—	—	—	—	536,007	—	—	—	—	536,007
Advance from Other Funds	420	722	—	—	—	1,185	—	—	—	2,327
General Obligation Bonds Payable	—	—	—	—	—	—	—	—	757,125	757,125
Revenue Bonds Payable	—	—	—	—	1,374	54,393	—	—	166,880	222,647
Special Obligation Bonds Payable	—	—	—	—	—	—	—	—	2,981,766	2,981,766
Other General Long-Term Obligations	—	—	—	—	—	—	—	—	442,409	442,409
Total Liabilities	891,094	464,556	5,286	28,651	9,610,656	357,062	1,642,447	—	4,348,180	17,347,932
Fund Equity:										
Investment in General Fixed Assets	—	—	—	—	—	—	—	2,077,574	—	2,077,574
Contributed Capital	—	—	—	—	—	338	—	—	—	338
Net Unrealized Gains on Investments	—	—	—	—	553,678	—	—	—	—	553,678
Retained Earnings:										
Reserved	—	—	—	—	133,776	185,303	—	—	—	319,079
Unreserved	—	—	—	—	(2,963,741)	28,864	—	—	—	(2,834,877)
Fund Balances:										
Reserved for:										
Debt Service	—	7,828	548,749	—	—	—	—	—	—	556,577
Encumbrances	203,953	989,936	—	250,261	—	—	—	—	—	1,444,150
Long-Term Portion of Loans Receivable	—	166,888	—	—	—	—	—	—	—	166,888
Pension Benefits and Other	2,058	152,237	7,000	29,411	—	—	150,827	—	—	341,533
Unreserved/Designated for:										
Budget Stabilization	283,914	—	—	—	—	—	—	—	—	283,914
Other	—	108,489	—	—	—	—	—	—	—	108,489
Unreserved/Undesignated (deficits)	269,892	(181,268)	—	(87,852)	—	—	482,555	—	—	483,327
Total Fund Equity	759,817	1,244,110	555,749	191,820	(2,176,287)	214,505	633,382	2,077,574	—	3,500,670
TOTAL LIABILITIES AND FUND EQUITY	**$ 1,650,911**	**$ 1,708,666**	**$ 561,035**	**$ 220,471**	**$ 7,434,369**	**$ 571,567**	**$ 2,275,829**	**$ 2,077,574**	**$ 4,348,180**	**$ 20,848,602**

The notes to the financial statements are an integral part of this statement.

STATE OF OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE
REVENUES:			
Income Taxes	$ 3,013,257	$ 349,437	$ —
Sales Taxes	3,088,586	137,266	—
Corporate and Public Utility Taxes	1,341,358	77,993	—
Motor Vehicle Fuel Taxes	—	763,271	47,951
Unemployment Taxes	—	—	—
Other Taxes	575,631	51,149	63,430
Licenses, Permits and Fees	58,799	487,654	333
Sales, Services and Charges	41,863	21,152	—
Federal Government	1,857,073	1,975,569	448
Other	140,010	288,457	89,052
TOTAL REVENUES	10,116,577	4,151,949	201,214
EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	2,950,988	622,471	—
Higher Education	1,250,054	15,811	—
Public Assistance and Medicaid	3,597,766	166,639	—
Health and Human Services	631,113	801,011	—
Justice and Public Protection	485,346	175,756	—
Environmental Protection and Natural Resources	75,143	100,874	—
Transportation	37,273	1,072,233	—
General Government	189,692	62,683	—
Community and Economic Development	70,831	245,815	—
Local Government Support, Tax Relief and Other	539,869	1,009,844	—
CAPITAL OUTLAY	34,290	3,963	—
DEBT SERVICE	—	—	629,615
TOTAL EXPENDITURES	9,862,365	4,277,100	629,615
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	254,212	(125,152)	(428,401)
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	10,000	659
Refunding Bond Proceeds	—	—	199,521
Payment to Refunded Bond Escrow Agents	—	—	(199,521)
Operating Transfers-in	292,588	696,344	489,265
Operating Transfers-out	(499,170)	(448,805)	—
TOTAL OTHER FINANCING SOURCES (USES)	(206,582)	257,539	489,924
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	47,630	132,387	61,523
FUND BALANCES, JULY 1	712,187	1,111,723	494,226
FUND BALANCES, JUNE 30	$ 759,817	$ 1,244,110	$ 555,749

The notes to the financial statements are an integral part of this statement.

	FIDUCIARY FUND TYPE	
CAPITAL PROJECTS	EXPENDABLE TRUST	TOTAL (MEMORANDUM ONLY)
$ —	$ —	$ 3,362,694
—	—	3,225,852
—	—	1,419,351
—	—	811,222
—	931,523	931,523
—	—	690,210
—	—	546,786
—	—	63,015
—	—	3,833,090
13,548	15,017	546,084
13,548	946,540	15,429,827
—	—	3,573,459
—	—	1,265,865
—	—	3,764,405
—	607,635	2,039,759
—	—	661,102
—	—	176,017
37,228	—	1,146,734
—	—	252,375
—	—	316,646
—	—	1,549,713
520,968	—	559,221
—	—	629,615
558,196	607,635	15,934,911
(544,648)	338,905	(505,084)
432,883	—	443,542
—	—	199,521
—	—	(199,521)
165,149	—	1,643,346
(10,000)	—	(957,975)
588,032	—	1,128,913
43,384	338,905	623,829
148,436	143,650	2,610,222
$ 191,820	$ 482,555	$ 3,234,051

STATE OF OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) ALL GOVERNMENTAL FUND TYPES FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	$ 3,205,100	$ 3,362,861	$ 157,761
Sales Taxes	3,174,000	3,209,870	35,870
Corporate and Public Utility Taxes	1,464,744	1,407,836	(56,908)
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	567,700	573,801	6,101
Licenses, Permits and Fees	68,578	61,393	(7,185)
Sales, Services and Charges	41,808	41,927	119
Federal Government	1,867,560	1,855,554	(12,006)
Other	238,439	248,085	9,646
TOTAL REVENUES	10,627,929	10,761,327	133,398
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	2,959,031	2,957,933	1,098
Higher Education	1,266,384	1,263,850	2,534
Public Assistance and Medicaid	3,655,753	3,641,537	14,216
Health and Human Services	649,519	630,805	18,714
Justice and Public Protection	495,720	485,623	10,097
Environmental Protection and Natural Resources	88,263	84,475	3,788
Transportation	32,683	32,628	55
General Government	276,858	260,781	16,077
Community and Economic Development	98,524	91,215	7,309
Local Government Support, Tax Relief and Other	597,344	590,896	6,448
CAPITAL OUTLAY	55,470	35,208	20,262
DEBT SERVICE	440,363	405,989	34,374
TOTAL BUDGETARY EXPENDITURES	10,615,912	10,480,940	134,972
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	12,017	280,387	268,370
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	302,749	301,872	(877)
Operating Transfers-out	(559,320)	(582,783)	(23,463)
Encumbrance Reversions	—	37,111	37,111
TOTAL OTHER FINANCING SOURCES (USES)	(256,571)	(243,800)	12,771
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	(244,554)	36,587	281,141
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1	323,618	323,618	—
Increase in Designated for Budget Stabilization	(21,485)	(21,485)	—
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	57,579	338,720	281,141
Fund Balance Designated for Budget Stabilization, June 30	283,915	283,915	—
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	$ 341,494	$ 622,635	$ 281,141

The notes to the financial statements are an integral part of this statement.

SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ 1,657	$ 1,657	$ —	$ —	$ —	$ —
9,089	9,089	—	—	—	—
11,483	11,483	—	—	—	—
762,400	762,400	—	48,965	48,965	—
51,090	51,090	—	61,994	61,994	—
472,930	472,930	—	333	333	—
13,885	13,885	—	—	—	—
1,925,128	1,925,128	—	—	—	—
252,124	252,124	—	79,673	79,673	—
3,499,786	**3,499,786**	—	**190,965**	**190,965**	—
690,967	675,031	15,936	—	—	—
14,828	13,031	1,797	—	—	—
228,166	163,736	64,430	—	—	—
789,946	737,023	52,923	—	—	—
216,262	195,225	21,037	—	—	—
123,682	106,339	17,343	—	—	—
1,166,873	1,044,904	121,969	—	—	—
75,647	66,815	8,832	—	—	—
315,374	265,962	49,412	—	—	—
1,043,781	1,043,212	569	—	—	—
6,781	4,097	2,684	—	—	—
—	—	—	195,402	192,298	3,104
4,672,307	**4,315,375**	**356,932**	**195,402**	**192,298**	**3,104**
(1,172,521)	**(815,589)**	**356,932**	**(4,437)**	**(1,333)**	**3,104**
—	—	—	660	660	—
1,231,432	1,231,432	—	—	—	—
(398,949)	(398,949)	—	—	—	—
90,791	90,791	—	—	—	—
923,274	**923,274**	—	**660**	**660**	—
$ (249,247)	**107,685**	**$ 356,932**	**$ (3,777)**	**(673)**	**$ 3,104**
	(310,210)			110,564	
	—			—	
	(202,525)			109,891	
	—			—	
	$ (202,525)			**$ 109,891**	

(continued)

STATE OF OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) ALL GOVERNMENTAL FUND TYPES FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)
(continued)

	CAPITAL PROJECTS FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	$ —	$ —	$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	—	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	—	—	—
Licenses, Permits and Fees	—	—	—
Sales, Services and Charges	—	—	—
Federal Government	—	—	—
Other	10,860	10,860	—
TOTAL REVENUES	10,860	10,860	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	—	—	—
Transportation	—	—	—
General Government	—	—	—
Community and Economic Development	—	—	—
Local Government Support, Tax Relief and Other	—	—	—
CAPITAL OUTLAY	707,840	275,757	432,083
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	707,840	275,757	432,083
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(696,980)	(264,897)	432,083
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	312,172	312,172	—
Operating Transfers-in	30,861	30,861	—
Operating Transfers-out	(30,861)	(30,861)	—
Encumbrance Reversions	32,961	32,961	—
TOTAL OTHER FINANCING SOURCES (USES)	345,133	345,133	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	$ (351,847)	80,236	$ 432,083
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		(169,505)	
Increase in Designated for Budget Stabilization		—	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		(89,269)	
Fund Balance Designated for Budget Stabilization, June 30		—	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		$ (89,269)	

The notes to the financial statements are an integral part of this statement.

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STATE OF OHIO

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES ALL PROPRIETARY FUND TYPES AND PENSION TRUST FUND FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE
	ENTERPRISE	INTERNAL SERVICE	PENSION TRUST
OPERATING REVENUES:			
Charges for Sales and Services	$ 1,727,383	$ 162,625	$ —
Premium and Assessment Income	1,192,491	—	—
Investment Income	32,361	—	13,379
Employer Contributions	—	—	9,495
Employee Contributions	—	—	3,465
Other	4,628	14,778	116
TOTAL OPERATING REVENUES	**2,956,863**	**177,403**	**26,455**
OPERATING EXPENSES:			
Costs of Sales and Services	221,204	103,322	—
Administration	207,963	45,075	367
Prizes and Claims	682,805	—	—
Benefit Payments and Refunds	1,592,145	—	6,027
Depreciation	9,624	477	—
Other	202,278	10,113	—
TOTAL OPERATING EXPENSES	**2,916,019**	**158,987**	**6,394**
OPERATING INCOME	**40,844**	**18,416**	**20,061**
NONOPERATING REVENUES (EXPENSES):			
Investment Income	557,719	12,985	—
Interest Expense	(2,126)	(12,437)	—
Other	638	(107)	—
TOTAL NONOPERATING REVENUES (EXPENSES)	**556,231**	**441**	**—**
INCOME BEFORE OPERATING TRANSFERS	**597,075**	**18,857**	**20,061**
OPERATING TRANSFERS:			
Operating Transfers-out	(574,908)	(110,467)	—
NET INCOME (LOSS)	**22,167**	**(91,610)**	**20,061**
RETAINED EARNINGS (DEFICITS)/FUND BALANCES, JULY 1	(2,752,132)	305,777	130,766
RETAINED EARNINGS (DEFICITS)/ FUND BALANCES, JUNE 30	**$ (2,729,965)**	**$ 214,167**	**$ 150,827**

The notes to the financial statements are an integral part of this statement.

TOTAL (MEMORANDUM ONLY)
$ 1,890,008
1,192,491
45,740
9,495
3,465
19,522
3,160,721
324,526
253,405
682,805
1,598,172
10,101
212,391
3,081,400
79,321
570,704
(14,563)
531
556,672
635,993
(685,375)
(49,382)
(2,315,589)
$ (2,364,971)

STATE OF OHIO

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND PENSION TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE
	ENTERPRISE	INTERNAL SERVICE	PENSION TRUST
OPERATING ACTIVITIES:			
Net Income (Loss)	$ 22,167	$ (91,610)	$ 20,061
Add (Deduct) Items Not Affecting Cash:			
Increase in Other Receivables	(47,517)	(564)	(350)
Increase in Intergovernmental Receivables	—	(245)	—
Decrease (Increase) in Due from Other Funds	(1,749)	13,183	(111)
Decrease (Increase) in Inventory	2,373	(1,703)	—
Decrease (Increase) in Other Current Assets	1,742	(259)	2
Increase in Premiums and Assessments Receivable	(162,753)	—	—
Decrease (Increase) in Other Restricted Assets	3,000	(9,062)	—
Decrease in Other Noncurrent Assets	—	241	—
Decrease in Accounts Payable	(8,054)	(11,114)	—
Increase in Workers' Compensation Benefits Payable	485,639	—	—
Increase (Decrease) in Accrued Liabilities	(4,262)	(2,291)	84
Increase (Decrease) in Due to Other Funds	(2,275)	43,305	—
Increase in Deferred Revenues	20,515	8,350	—
Increase in Refund and Other Liabilities	33,357	1,783	—
Increase in Deferred Prize Awards Payable	166,257	—	—
Increase in Contributed Capital	—	317	—
Depreciation	9,624	477	—
Provision for Uncollectible Accounts	20,635	—	—
Amortization of Bond Premium	4,797	—	—
Other, Net	1,503	—	—
Loss on Sale of Fixed Assets	136	—	—
NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	**545,135**	**(49,192)**	**19,686**
INVESTING ACTIVITIES:			
Purchase of Current Investments	(68,121)	(2,054)	(20,175)
Purchase of Noncurrent Investments	(299,264)	—	—
Purchase of Fixed Assets	(10,524)	(673)	—
Sale (Purchase) of Restricted Investments	(97,717)	60,158	—
NET CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES	**(475,626)**	**57,431**	**(20,175)**
FINANCING ACTIVITIES:			
Issuance (Retirement) of Revenue Bonds	4	(1,495)	—
Reduction of Lease Obligations and Other Payables	(59)	(7,463)	—
Decrease in Advances from Other Funds	—	(542)	—
Decrease in Advances to Other Funds	—	361	—
NET CASH FLOWS USED IN FINANCING ACTIVITIES	**(55)**	**(9,139)**	**—**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**69,454**	**(900)**	**(489)**
CASH AND CASH EQUIVALENTS, JULY 1	357,708	34,256	550
CASH AND CASH EQUIVALENTS, JUNE 30	**$ 427,162**	**$ 33,356**	**$ 61**

The notes to the financial statements are an integral part of this statement.

TOTAL (MEMORANDUM ONLY)	
$	(49,382)
	(48,431)
	(245)
	11,323
	670
	1,485
	(162,753)
	(6,062)
	241
	(19,168)
	485,639
	(6,469)
	41,030
	28,865
	35,140
	166,257
	317
	10,101
	20,635
	4,797
	1,503
	136
	515,629
	(90,350)
	(299,264)
	(11,197)
	(37,559)
	(438,370)
	(1,491)
	(7,522)
	(542)
	361
	(9,194)
	68,065
	392,514
$	**460,579**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the State of Ohio present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the cash flows of the proprietary and pension trust funds. The financial statements are presented, as of June 30, 1988, and for the year then ended, and have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). The State's significant accounting policies are described below.

A. Financial Reporting Entity

For financial reporting purposes, the State includes all funds, account groups, elected offices, departments, and agencies of the State, as well as bureaus, boards, commissions, authorities, and retirement systems over which the State's executive, legislative, or judicial branches exercise oversight responsibility. Oversight responsibility is defined in GASB Codification Section 2100 and includes the following considerations: financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, the scope of an organization's public service, and/or special financing relationships.

Based on the application of the GASB Codification criteria, the following additional organizations meet the oversight criteria and are also included in the accompanying financial statements:

Ohio Public Facilities Commission
Ohio Building Authority
State Parking Commission*
Ohio Higher Education Facility Commission
Ohio Housing Finance Agency
Ohio Air Quality Development Authority
Ohio Water Development Authority
State Highway Patrol Retirement System
Ohio Turnpike Commission
Ohio Student Loan Commission
Ohio Lottery Commission

* In early calendar year 1988, the State Underground Parking Commission's name was changed to the State Parking Commission

The following organizations have been determined not to be part of the reporting entity after applying the manifestations of oversight responsibility criteria of GASB Codification Section 2100, and therefore, have been excluded from the accompanying financial statements:

Public Employees Retirement System
School Employees Retirement System
State Teachers Retirement System
Police and Firemen's Disability and Pension Fund
All State-assisted universities and colleges
Ohio Public Employees Deferred Compensation Board

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The retirement systems listed on the previous page maintain a portion of their assets with the Treasurer of State who serves as custodian of the assets. The assets remain under the administrative and financial control of the retirement systems, which maintain separate independent accounting systems. The retirement systems' assets other than those of the State Highway Patrol Retirement System are not reported in the State's financial statements.

B. Basis of Presentation — Fund Accounting

The State of Ohio uses funds and account groups to report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting entity designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect expendable available financial resources. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types."

A description of each fund type and account group follows.

1. Governmental Fund Types

General — The General Fund accounts for current financial resources traditionally associated with government, which are not required legally or by sound financial management practices to be accounted for in another fund.

Special Revenue — The special revenue funds account for specific revenues that are legally restricted to expenditure for designated purposes. The general administrative activities of the Ohio Turnpike Commission, Ohio Water Development Authority, and Ohio Air Quality Development Authority are included in the special revenue funds for their fiscal years ended December 31, 1987.

Debt Service — The debt service funds account for the accumulation of resources for the payment of general long-term debt principal and interest. The debt service activities of the Ohio Turnpike Commission are included in the debt service funds for its fiscal year ended December 31, 1987.

Capital Projects — The capital projects funds account for the acquisition and construction of major capital facilities and for major repairs and replacements other than those financed by proprietary funds and trust funds. The capital projects activities of the Ohio Turnpike Commission are included in the capital projects funds for its fiscal year ended December 31, 1987.

2. Proprietary Fund Types

Enterprise — The enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises — where the State's intent is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

charges; or where the State has decided that periodic determination of net income is appropriate for accountability purposes. The Ohio Bureau of Workers' Compensation and the State Parking Commission are included in the enterprise funds for their fiscal years ended December 31, 1987.

Internal Service — The internal service funds account for the financing of goods or services provided by a State department or agency to other State agencies and to other government units, on a cost-reimbursement basis.

3. Fiduciary Fund Types

Trust funds account for assets held by the State in a trustee capacity. Agency funds account for assets held by the State as an agent for individuals, private organizations, other governments, and/or other funds. The State Highway Patrol Retirement System is included as a pension trust fund for its fiscal year ended December 31, 1987.

4. Account Groups

General Fixed Assets — The General Fixed Assets Account Group accounts for fixed assets acquired or constructed for use by the State for general governmental purposes. These include all fixed assets except those accounted for in the proprietary funds.

General Long-Term Obligations — The General Long-Term Obligations Account Group accounts for the State's unmatured general obligation bonds and other long-term obligations not required to be accounted for in the proprietary and pension trust funds.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental and expendable trust funds are accounted for using a flow of financial resources measurement focus. Under this measurement focus, only current assets and current liabilities generally are presented on the balance sheet; increases (i.e., revenue and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets are presented in these funds' operating statements.

Proprietary and pension trust funds are accounted for using a flow of economic resources measurement focus. Under this measurement focus, all assets and liabilities associated with the operations of these funds are presented on the balance sheet; fund equity (i.e., net assets) is segregated on the balance sheet into two components, contributed capital and retained earnings. Increases (i.e., revenues) and decreases (i.e., expenses) in net assets are presented in these funds' operating statements.

The modified accrual basis of accounting has been applied to all governmental, expendable trust, and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, that is, when they become both measurable and available. "Measurable" means the

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The State considers revenues as available, if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made in the subsequent fiscal year.

Significant revenue sources susceptible to accrual under the modified accrual basis of accounting follow:

Sales and use taxes
Personal income taxes
Motor vehicle fuel taxes
Charges for goods and services

Licenses, permits, fees, and other miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Deferred revenue, as reported on the State's combined balance sheet, represents resources received before the State has a legal claim to them, such as the receipt of federal grant monies prior to the incurrence of qualifying expenditures. When the State has a legal claim to the resources, the revenue is recognized.

The accrual basis of accounting has been applied to proprietary and pension trust funds. Under this method, revenues are recorded when earned, and expenses are recorded when incurred.

D. Budgetary Process

As required by the Ohio Revised Code, the Governor submits biennial operating and capital budgets to the General Assembly. The particular budget, which includes those funds of the State subject to appropriation pursuant to State law, is composed of all proposed expenditures for the State and of estimated revenues and borrowings for a biennium.

The General Assembly enacts the budget through passage of specific departmental line-item appropriations by program or major object of expenditures. The governor may veto any item in an appropriation bill, subject to legislative override.

Operating appropriations, appropriated biennially, are generally provided in annual amounts, while capital appropriations are biennial.

Transfers of appropriations between years of a biennium and budget revisions during a year, reflecting program changes or intradepartmental transfers of an administrative nature, may be effected with certain executive and legislative branch approval. Only the General Assembly, however, may transfer or authorize the conditions under which appropriations may be transferred between departments.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The State's Central Accounting System controls expenditures by fund and by line-item for items established in appropriation acts. A modified cash basis of accounting is used for budgetary purposes. Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded as a reserve of the applicable appropriations, is employed as an extension of formal budgetary integration in the State's accounting system. Encumbrances outstanding in the General, special revenue, and capital projects funds at fiscal year end are reported as reservations of fund balance for expenditure in subsequent years. Operating encumbrances are generally canceled five months after fiscal year end while capital encumbrances are automatically reappropriated. More comprehensive accounting of activity on the budgetary basis is provided in the separately published annual Ohio Budgetary Financial Report, which is available upon request.

In the Statement of Revenues, Expenditures and Changes in Fund Balances--Budget and Actual (Budgetary Basis), budgeted revenues for the General Fund represent periodically updated revenue budgets. For other budgeted funds, the original budgeted revenues, as submitted by the Governor, do not represent actual forecasts of revenues and are not amended to coincide with any legislative changes to the original expenditure budget. Accordingly, budgeted revenues and other financing sources and uses for budgeted funds other than the General Fund are reported at actual amounts, since the State does not have updated, budgeted revenue and other financing sources and uses amounts for use in the accompanying budgetary basis financial statements.

Because the State budgets on a modified cash basis of accounting, which differs from GAAP, a reconciliation of the differences between the GAAP basis and the budgetary basis of reporting is presented in NOTE 3.

E. Cash Equity with Treasurer

Cash equity with Treasurer is carried at cost, which approximates market. All cash deposited with the Treasurer of State to the credit of appropriated funds, including the cash float, consists of pooled investments primarily composed of demand deposits, short-term securities, and other investments. These monies are considered to be cash equivalents for purposes of the Statement of Cash Flows.

F. Security Deposits

Security deposits include various deposit and investment instruments placed by their owners in safekeeping with the Treasurer of State, as required by applicable statutes.

G. Investments

Investments include long-term investments that may be restricted by law or other legal instruments. Investments are carried at cost or amortized cost except those of the Deferred Compensation Agency Fund, which are reported at market.

For the State Highway Patrol Retirement System Pension Trust Fund and the Bureau of Workers' Compensation Enterprise Fund, corporate and government bonds and obligations with fixed maturities and investments in common and preferred stocks are carried at cost or market; investments in short-term obligations are carried at cost, which approximates market value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the Ohio Lottery Commission Enterprise Fund, specific State investments are dedicated to the payment of deferred prize awards and are stated at cost, which is not in excess of market value.

H. Inventories

For governmental funds, the costs of inventories acquired are recorded as expenditures when purchased. At year end, physical counts are taken of significant inventories for the governmental fund types and are generally valued at weighted-average cost. Proprietary fund inventories are valued at cost, which approximates market, principally on a first-in, first-out consumption method.

I. Restricted Assets

Assets held by a trustee in connection with the State's financing lease arrangements are classified in the internal service funds as restricted assets, since their use is limited by applicable leases and trust agreements (See NOTE 14).

Assets restricted for payment of deferred prize awards (Ohio Lotto) are reported for the Ohio Lottery Commission in the enterprise funds.

A convenant for the State's 1983 economic development bonds requires a portion of the bond proceeds be held and invested in a reserve account placed with a trustee financial institution. These restricted assets are reported in the special revenue funds.

Additionally, covenants for the Ohio Building Authority's bonds require its pledged receipts also be held and invested in a reserve account placed with a trustee financial institution. These restricted assets are reported in the internal service funds.

J. Fixed Assets

General Fixed Assets — General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value at acquisition date.

The costs of normal maintenance and repairs that do not add to the asset value or materially extend an asset's useful life are not capitalized. The cost of major improvements is capitalized.

Public domain ("infrastructure") general fixed assets consisting of among other assets, roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized, since these assets are immovable and of value only to the government.

Assets in the General Fixed Assets Account Group are not depreciated.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary and Fiduciary Fund Fixed Assets — Fixed assets are stated at cost or, for donated assets, at fair market value at acquisition date. Fixed assets, excluding land, are depreciated on the straight-line method over estimated service lives. Material interest is capitalized on proprietary fund fixed assets acquired through the issuance of debt. Fixed asset records for certain of the State's internal service funds are incomplete as described in NOTE 8. Accordingly, fixed asset accounts are understated, and the associated depreciation expense is not recorded.

K. Long-Term Obligations

A long-term obligation is recognized as a liability of a governmental fund when due. Only that portion expected to be financed from expendable available financial resources is reported as a liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-Term Obligations Account Group. Included among these liabilities are the noncurrent portions of liabilities resulting from debt issuances, compensated absences, judgments, leases, and workers' compensation benefits. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

As discussed in NOTES 11 and 12, bonds issued by the Ohio Building Authority (OBA) to finance State-related projects are reported as special obligation bonds in the General Long-Term Obligations Account Group while OBA bonds issued to finance local government projects for State purposes are reported as revenue bonds in the internal service funds.

L. Compensated Absences

State employees earn vacation leave, sick leave, and personal leave at various rates within limits specified under collective bargaining agreements or under law. Such leave is liquidated in cash, under certain restrictions, either annually in December, or at the time of termination from State employment. For governmental funds, the liability for compensated absences is reported in the General Long-Term Obligations Account Group. For proprietary fund types, the liability for compensated absences is reported as a current accrued liability.

In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulated rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave benefits that is estimated to be taken as "terminal leave" prior to retirement.

M. Reservations/Designations of Fund Equity

Reservations
Reserves represent those portions of the fund equity not appropriable for expenditure or are legally restricted to a specific future use.

Designations
Designated fund balances represent tentative plans for future use of financial resources.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Self-Insurance

In general, the State is self-insured for health care claims, workers' compensation, vehicle liability, and public fidelity blanket bonds and, except for certain coverages, is substantially uninsured for property losses and tort liability claims.

O. Intergovernmental Revenues/Receivables

Intergovernmental revenues primarily represent resources from reimbursement-type grants received from the federal government. Intergovernmental receivables and revenues are recorded when the related grant expenditures/expenses are incurred.

P. Interfund Transactions

The State records the following types of transactions among funds:

Operating Transfers — Legally required transfers that are reported when incurred as "operating transfers-in" by the recipient fund and as "operating transfers-out" by the disbursing fund.

Transfers of Expenditures (Reimbursements) — Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Residual Equity Transfers — Nonroutine or nonrecurring transfers between funds that are reported as additions to or deductions from fund equity.

Quasi-external Transactions — Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund.

A summary of the State's interfund receivables and payables, as of June 30, 1988, is presented in NOTE 7.

Q. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with GAAP. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 CHANGES IN ACCOUNTING PRINCIPLES AND REPORTING PRACTICES

During fiscal year 1988, the State changed its basis of accounting for financial reporting purposes from the cash basis to the modified accrual basis for governmental and expendable trust funds and to the accrual basis for proprietary funds, including the valuation of most fixed assets. These changes include adding component units to the reporting entity, the recognition of taxes, intergovernmental and other receivables, the valuation of assets based on cost, the appropriate depreciation accumulated to date and charged to the proprietary funds' operations, the recognition of a Medicaid liability and other liabilities, and the establishment of the General Fixed Assets and General Long-Term Obligations account groups, as of July 1, 1987. Information on fixed assets, depreciation, and capital lease liabilities for the Ohio Penal Industries, Telecommunications, and Ohio Data Network internal service funds, however, was not available, as of July 1, 1987.

Accordingly, fund balances and retained earnings, as of July 1, 1987, have been restated for the changes to conform to GAAP. These restatements had the following effect on fund balances/retained earnings and the General Fixed Assets and General Long-Term Obligations Account Groups (amounts expressed in thousands):

Fund Type	Balances (Deficits), as of June 30, 1987, As Previously Reported	Adjustments to Reflect Increases (Decreases) Due to Changes in Basis of Accounting	Adjustments to Reflect Increases (Decreases) from Changes in Reporting Entity	Balances (Deficits), as of July 1, 1987, As Restated
Governmental Funds:				
General Revenue	$ 633,202	$ (633,202)	$ ----	$ ----
General	----	712,084	103	712,187
Special Revenue	----	1,023,512	88,211	1,111,723
Debt Service	110,564	30,714	352,948	494,226
Other	1,025,760	(1,025,760)	----	----
Capital Projects	142,857	(26,703)	32,282	148,436
Proprietary Funds:				
Enterprise	399,525	(3,157,242)	5,585	(2,752,132)
Internal Service	----	25,907	279,870	305,777
Fiduciary Funds:				
Expendable and Pension Trust	----	143,650	130,766	274,416
Agency and Distribution	210,196	(210,196)	----	----
Account Groups:				
General Fixed Assets	----	1,673,238	103,338	1,776,576
General Long-Term Obligations	----	1,433,057	2,852,277	4,285,334

NOTE 3 GAAP vs. BUDGETARY BASIS

Actual revenues, operating transfers-in, expenditures, encumbrances, and operating transfers-out on the budgetary basis do not equal those reported on the GAAP basis in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances — All Governmental Fund Types and Expendable Trust Fund. This inequality results primarily from basis differences in the recognition of accruals, deferred revenue, interfund transactions, loan transactions, and from the budgetary basis of accounting for encumbrances. On the budgetary basis, encumbrances are recognized as expenditures in the year encumbered, while on the modified accrual basis, expenditures are recognized when goods or services are received regardless of the year encumbered. Another major difference between GAAP and budgetary fund balances is an entity difference for those unbudgeted funds that do not require appropriations.

Budgetary expenditures in the accompanying Combined Statement of Revenues, Expenditures and Changes in Fund Balances--Budget and Actual (Budgetary Basis) represent original appropriations modified by supplemental and amended appropriations.

A reconciliation of the fund balances recorded under the two bases for the General, special revenue, debt service, and capital projects funds is presented on the following page.

NOTE 3 GAAP vs. BUDGETARY BASIS (Continued)

Reconciliation of GAAP Basis Fund Balances to Budgetary Basis Fund Balances
June 30, 1988
(amounts expressed in thousands)

	General	Special Revenue	Debt Service	Capital Projects
Unreserved/Undesignated Fund Balances (Deficits) - GAAP Basis	$ 269,892	$ (181,268)	$ ----	$ (87,852)
BASIS DIFFERENCES				
Revenue Accruals/Adjustments:				
Taxes Receivable	(551,286)	(95,889)	----	----
Intergovernmental Receivables	(221,067)	(124,481)	----	----
Loans Receivable	----	(1,831)	----	----
Deferred Revenue	173	52,219	----	----
Other Receivables	(6,276)	(17,797)	----	(986)
Due from Other Funds	(7,739)	(85,814)	----	(693)
Subtotal	(786,195)	(273,593)	----	(1,679)
Expenditure Accruals/Adjustments:				
Accounts Payable	47,008	107,936	----	3,017
Medicaid Claims Payable	337,165	----	----	----
Accrued Liabilities	88,084	219,497	----	21,198
Due to Other Funds	74,155	14,308	----	1
Refund and Other Liabilities	343,939	37,351	----	----
Advances from Other Funds	420	722	----	----
Encumbrances	(35,608)	(135,284)	----	(23,953)
Subtotal	855,163	244,530	----	263
Other Adjustments:				
Fund Balance Reclassifications:				
From Undesignated (Budgetary Basis) to Reserved for Budget Stabilization	283,915	----	----	----
Other Reclassifications	----	88,910	109,891	----
Other	(64)	(23,234)	----	(1)
Subtotal	283,851	65,676	109,891	(1)
Total Basis Differences	352,819	36,613	109,891	(1,417)
ENTITY DIFFERENCES				
Ohio Turnpike Commission	----	(2,343)	----	----
Ohio Public Facilities Commission	(76)	----	----	----
Ohio Air Quality Development Authority	----	(5,183)	----	----
Ohio Water Development Authority	----	(4,440)	----	----
Ohio Housing Finance Agency	----	(8,690)	----	----
Ohio Student Loan Commission	----	(37,214)	----	----
Total Entity Differences	(76)	(57,870)	----	----
Total Basis and Entity Differences	352,743	(21,257)	109,891	(1,417)
Unreserved/Undesignated and Designated for Budget Stabilization Fund Balances (Deficits) - Budgetary Basis	$ 622,635	$ (202,525)	$ 109,891	$ (89,269)

NOTE 4 DEPOSITS AND INVESTMENTS

A. Legal Requirements

The deposit and investment policies of the Treasurer of State and the State Board of Deposit are governed by the Uniform Depository Act, Chapter 135, Ohio Revised Code, which requires that monies held by the State be maintained in one of the following three classifications:

Active Deposits — Those monies required to be kept in a cash or near-cash status to meet current demands. Such monies must be maintained either as cash in the State's treasury or in any of the following:

A commercial account that is payable or withdrawable, in whole or in part, on demand;
A negotiable order of withdrawal account;
A money market deposit account; or
A designated warrant clearance account.

Inactive Deposits — Those monies not required for use within the current two-year period of designation of depositories. Inactive monies may be deposited or invested only in certificates of deposit maturing not later than the end of the current period of designation of depositories.

Interim Deposits — Those monies not required for immediate use, but needed before the end of the current period of designation of depositories. Interim deposits may be deposited or invested in the following instruments:

Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;

Bonds, notes, debentures, or other obligations or securities issued by any federal government agency, or the Export-Import Bank of Washington;

Repurchase agreements in the securities enumerated above;

Interim deposits in the eligible institutions applying for interim monies;

Bonds and other obligations of the State of Ohio;

The Treasurer of State's investment pool;

Prime-rated corporate commercial paper, up to a $50 million investment limit;

Linked deposits, reduced-rate deposits at financial institutions that provide reduced-rate loans to small businesses, as authorized under Section 135.63, Ohio Revised Code; and

Agricultural linked deposits, reduced-rate deposits at financial institutions placed on or before June 30, 1987, that provide reduced-rate loans to farmers, as authorized under Section 135.74, Ohio Revised Code.

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

The State's deposits must be held in insured depositories approved by the State Board of Deposit and must be fully collateralized.

In some cases, deposit and investment policies of certain individual funds and component units are established by Ohio Revised Code provisions other than the Uniform Depository Act and by bond trust agreements. In accordance with applicable statutory authority, the State Highway Patrol Retirement System Pension Trust Fund and the Ohio Bureau of Workers' Compensation may invest in U.S. government and agency bonds and obligations, repurchase agreements, money market funds, commercial paper, common and preferred stocks, corporate bonds and notes, mortgage loans, real estate, and/or other investments.

B. Deposits

As of June 30, 1988 (December 31, 1987, for the Ohio Water Development Authority, Ohio Bureau of Workers' Compensation, State Highway Patrol Retirement System, State Parking Commission, and Ohio Turnpike Commission), the carrying amount of the State's deposits was $353,831,000 and the bank balance was $350,206,000. Of the bank balance, $113,632,000 was fully insured or collateralized with securities held by the State or its agent in the State's name, $207,452,000 was collateralized with securities held by the pledging financial institution's trust department or its agent in the State's name, and $29,122,000 was uninsured and uncollateralized.

C. Investments

The State categorizes investments to give an indication of the level of risk assumed by the State at year end. Category 1 includes investments that are insured, registered, or held by the State or its agent in the State's name. Category 2 includes uninsured and unregistered investments held by the counterparty's trust department or its agent in the State's name. Category 3 includes uninsured and unregistered investments held by the counterparty, its trust department, or its agent, but not in the State's name.

Certain investments have not been categorized because the securities are not used as evidence of the investment. These uncategorized investments include ownership in mutual funds, real estate, and limited partnerships, the deposit with the federal government, security deposits, and the deposit with the State's deferred compensation plan.

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

The following summary identifies the level of credit risk assumed by the State and the total carrying amount and market value of the State's investments, as of June 30, 1988 (December 31, 1987, for the Ohio Bureau of Workers' Compensation, Ohio Air Quality Development Authority, the Ohio Water Development Authority, State Highway Patrol Retirement System, State Parking Commission, and Ohio Turnpike Commission) (amounts expressed in thousands):

	Carrying Amount				
U.S. government obligations and U.S. government agency obligations	Category 1	Category 2	Category 3	Total	Market Value
	$ 5,411,599	$ 33,514	$ 159,710	$ 5,604,823	$ 5,604,168
Municipal obligations	----	----	100,732	100,732	100,732
Common and preferred stock	1,367,123	----	----	1,367,123	1,375,205
Corporate bonds and notes	1,578,209	----	----	1,578,209	1,574,437
Repurchase agreements	91,180	----	55,752	146,932	146,932
Commercial paper	533,050	----	----	533,050	533,050
Mortgage loans	498,379	----	----	498,379	497,711
Other investments	107	----	4,012	4,119	4,119
Total	$ 9,479,647	$ 33,514	$ 320,206	$ 9,833,367	$ 9,836,354
Mutual funds				210,253	210,244
Real estate				158,568	158,568
Investment in limited partnership				1,173	1,173
Deposit with federal government				303,850	303,850
Security deposits				252,443	252,443
Deposit with deferred compensation plan				175,811	175,811
Total				$ 10,935,465	$10,938,443

The total carrying amount of the State's deposits and investments, as of June 30, 1988, reported in the State's financial statements is $11,055,164,000. The total carrying amount of the State's deposits and investments categorized and/or disclosed in this Note is $11,289,296,000. A reconciliation of the difference follows (amounts expressed in thousands):

	Deposits	Investments	Total
Cash equity with Treasurer (Restricted and unrestricted)	$ 37,357	$ 2,677,036	$ 2,714,393
Cash with custodian	76,408	157	76,565
Deposit with federal government	----	303,850	303,850
Security deposits	----	252,443	252,443
Investments	392	6,905,970	6,906,362
Deposit with deferred compensation plan	----	175,811	175,811
Restricted Assets:			
Cash and investments with custodian	8,802	442,576	451,378
Dedicated investments	----	174,362	174,362
Carrying amount per combined balance sheet	122,959	10,932,205	11,055,164
Outstanding warrants and other open items	230,872	3,260	234,132
Total deposits/investments categorized and/or disclosed	$ 353,831	$ 10,935,465	$ 11,289,296

NOTE 5 LOANS RECEIVABLE

Loans receivable reported in the special revenue funds, as of June 30, 1988, consisted of the following (amounts expressed in thousands):

	Community and Economic Development	Education	Student Loan Commission	Natural Resources	Other	Total
Economic Development	$ 132,264	$ ----	$ ----	$ ----	$ ----	$ 132,264
Minority Business	3,769	----	----	----	----	3,769
Emergency School Advancement	----	12,573	----	----	----	12,573
Public School Building	----	20,322	----	----	----	20,322
Student Loans	----	----	8,989	----	----	8,989
Ohio Housing Finance Agency	4,894	----	----	----	----	4,894
Natural Resources	----	----	----	1,239	----	1,239
Agriculture	----	----	----	----	52	52
Total	$ 140,927	$ 32,895	$ 8,989	$ 1,239	$ 52	$ 184,102

NOTE 6 TAXES RECEIVABLE

Taxes receivable, as of June 30, 1988, consisted of the following (amounts expressed in thousands):

	General	Special Revenue	Debt Service	Total
Income Taxes	$ 237,173	$ 29,160	$ ----	$ 266,333
Sales Taxes	297,545	14,449	----	311,994
Motor Fuel Taxes	----	89,429	8,758	98,187
Other Taxes	16,568	264	17,286	34,118
Total	$ 551,286	$ 133,302	$ 26,044	$ 710,632

As of June 30, 1988, refund liabilities related to income and corporation franchise taxes, totaling $378 million, were reported as "Refund and Other Liabilities," of which $342 million was recorded in the General Fund and $36 million was recorded in the special revenue funds.

NOTE 7 INTERFUND RECEIVABLES AND PAYABLES/OPERATING TRANSFERS

Interfund receivables and payables, and operating transfers, as of June 30, 1988, are summarized as follows (amounts expressed in thousands):

Fund Type/Fund	Due from	Due to	Operating Transfers-in	Operating Transfers-out
General	$ 7,739	$ 74,155	$ 292,588	$ 499,170
Special Revenue:				
Education	1,268	753	305,304	102
Highway Safety	13,505	1,771	89,806	1
Highway Operating	1,500	904	294,555	93,537
Ohio Turnpike Commission	----	534	----	43,064
Revenue Distribution	67,597	151	18	298,145
Other Special Revenue Funds	2,241	11,085	6,661	13,956
Subtotal	86,111	15,198	696,344	448,805
Debt Service:				
Economic Development Bond Service	----	----	17,934	----
Development Bond Retirement	----	----	18,944	----
Public Improvements Bond Retirement	----	----	18,653	----
Special Distribution Bond Retirement	----	----	13,000	----
Vietnam Conflict Compensation Bond Retirement	1	----	22,358	----
Ohio Public Facilities Commission	----	----	258,272	----
Ohio Building Authority	133,618	----	79,810	----
Bureau of Employment Services	----	----	48,608	----
Other Debt Service Funds	457	----	11,686	----
Subtotal	134,076	----	489,265	----
Capital Projects:				
Ohio Turnpike Commission	----	----	44,682	----
Ohio Building Authority	6,495	----	110,467	----
Other Capital Projects Funds	693	1	10,000	10,000
Subtotal	7,188	1	165,149	10,000
Enterprise:				
Liquor Control	5	119	----	67,935
Ohio Lottery Commission	1,746	2,131	----	506,973
Subtotal	1,751	2,250	----	574,908
Internal Service:				
Ohio Building Authority	----	140,113	----	110,467
Ohio Data Center	16,452	255	----	----
Other Internal Service Funds	15,815	1,530	----	----
Subtotal	32,267	141,898	----	110,467
Expendable Trust:				
Employment Services	11	----	----	----
Pension Trust:				
State Highway Patrol	1,040	----	----	----
Agency:				
Holding and Distribution	----	32,319	----	----
Payroll Withholding and Fringe Benefits	306	10,962	----	----
Other Agency Funds	1,227	----	----	----
Subtotal	1,533	43,281	----	----
Subtotal - Trust and Agency Funds	2,584	43,281	----	----
Total per Financial Statements	271,716	276,783	1,643,346	1,643,350
Reconciliation for Timing Differences for Funds with December 31, 1987, Fiscal Year Ends	7,645	2,578	4	----
Reconciled Total	$ 279,361	$ 279,361	$ 1,643,350	$ 1,643,350

NOTE 8 FIXED ASSETS

A summary of fixed assets by category follows (amounts expressed in thousands):

	Enterprise	Internal Service	General Fixed Assets
Land	$ ----	$ ----	$ 144,996
Buildings	----	1,927	959,310
Improvements other than buildings	7,245	----	63,668
Machinery and equipment	60,543	2,631	126,088
State vehicles	----	----	140,128
Construction-in-progress	----	----	643,384
Subtotal	67,788	4,558	2,077,574
Less: Accumulated depreciation	(33,968)	(1,949)	----
Total	$ 33,820	$ 2,609	$ 2,077,574

For the Ohio Penal Industries, Telecommunications, and Ohio Data Network internal service funds, information is not available on fixed assets, accumulated depreciation, and depreciation expense. Accordingly, such amounts for these funds are not included above or in the accompanying financial statements. The effects of these omissions on the accompanying financial statements cannot be determined. Management is assembling the necessary records to permit fixed asset reporting in conformity with GAAP.

No projects were under construction, for the year ended June 30, 1988, that resulted in capitalized interest for the proprietary fund types.

State capital appropriations to State-assisted universities and colleges are not reflected in the assets above, but are generally capitalized and reported in the respective financial statements of those entities.

Changes in general fixed assets for the year ended June 30, 1988, were as follows (amounts expressed in thousands):

	Balance July 1, 1987	Additions	Retirements	Balance June 30, 1988
Land	$ 141,759	$ 3,408	$ 171	$ 144,996
Buildings	937,687	29,059	7,436	959,310
Improvements other than buildings	52,993	10,675	----	63,668
Machinery and equipment	122,465	10,588	6,965	126,088
State vehicles	128,213	21,339	9,424	140,128
Construction-in-progress	393,459	271,572	21,647	643,384
Total	$ 1,776,576	$ 346,641	$ 45,643	$ 2,077,574

NOTE 9 PENSION PLANS

All part-time and full-time employees and elected officials of the State are eligible to be covered by one of the following retirement plans:

Public Employees Retirement System (PERS)
State Teachers Retirement System (STRS)
State Highway Patrol Retirement System (SHPRS)

The payrolls for State employees covered by PERS, STRS, and SHPRS for the year ended June 30, 1988, were $1.29 billion, $29 million, and $39 million, respectively; the State's total covered payroll was $1.36 billion.

A. PERS and STRS

Both PERS and STRS are cost-sharing, multiple-employer public employee retirement systems.

Participants in PERS, who retire at age 60 with five or more years of service credit or at any age with 30 or more years of service credit, are eligible to annual retirement benefits. The benefit is based on 2.1 percent of final average salary multiplied by the years of service credit. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit amounts. Retirement benefits vest after five years of credited service. PERS also provides survivor and disability benefits. PERS benefits are established under Chapter 145, Ohio Revised Code.

Participants in STRS, who retire after 30 years of credited service regardless of age, or at or after age 55 with 25 years of credited service, or at or after age 60 with five years of credited service, are entitled to a maximum annual retirement benefit, payable in monthly installments for life, equal to the greater of the "two-percent formula benefit" or the "money-purchase benefit" calculation.

Under the "two-percent formula benefit" calculation, the maximum annual retirement allowance is equal to two percent of an average of a member's three highest years' salary multiplied by the member's number of years of credited service (maximum of 45 years). Under the "money-purchase benefit" calculation, a member's lifetime contributions, plus interest at specified rates, are matched by an equal amount from contributed employer funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance. Annually, after retirement, STRS benefits are increased three percent if the cost of living, as measured by the Consumer Price Index, has increased at three percent on a cumulative basis. STRS also provides death, survivor, and disability, health care, and supplemental benefits. STRS benefits are established under Chapter 3307, Ohio Revised Code.

Employer and employee required contributions to PERS and STRS are established under the Ohio Revised Code and are based on percentages of covered employees' gross salaries, which are calculated annually by the retirement systems' actuaries. Contributions required and made for the fiscal year ended June 30, 1988, are summarized below:

	Contribution Rates — Fiscal Year 1988	
	Employee Share	Employer Share
PERS	8.50%	13.71%
STRS	8.75%	14.00%

NOTE 9 PENSION PLANS (Continued)

	Contributed Amounts — Fiscal Year 1988 (amounts expressed in thousands)	
	Employee Share	Employer Share
PERS	$ 102,051	$ 184,757
STRS	$ 2,510	$ 4,017

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to assist financial statement users in assessing a pension plan's funding status on a going-concern basis and progress made in accumulating sufficient assets to pay benefits when due and in making comparisons among public employee retirement systems and employers. The PERS and STRS do not make separate measurements of assets and pension benefit obligation for individual employers.

Therefore, the pension benefit obligation determined through an actuarial valuation, the net assets available for benefits, and the unfunded pension benefit obligation for PERS and STRS, as a whole, are presented below (amounts expressed in thousands):

	PERS, as of December 31, 1986	STRS, as of July 1, 1988
Pension benefit obligation	$ 13,284,000	$ 19,324,598
Net assets available for benefits (valued at cost)	10,841,200	14,258,680
Unfunded pension benefits obligation	$ 2,442,800	$ 5,065,918

The market value of net assets available for benefits for PERS was $11.31 billion at December 31, 1986; the market value of net assets available for benefits for STRS at July 1, 1988, was unavailable. Actuarial valuations are calculated annually by the retirement systems' actuaries.

Occasionally, the General Assembly increases benefit payments to the current PERS and STRS retirees. In certain instances, concurrent with the passage of such legislation, a provision for payment of these benefits through State appropriations is made. The State paid $4 million and $6 million to PERS and STRS, respectively, for benefit increases during the year ended June 30, 1988. Funding for these benefit increases is on a pay-as-you-go basis by the State.

The State's contribution to PERS represented 24.91 percent of total PERS contributions during calendar year 1987 of all participating entities. The State's contribution to STRS represented 0.59 percent of total STRS contributions of all participating entities for its fiscal year ended June 30, 1988.

Available ten-year historical trend information showing each retirement system's progress in accumulating sufficient assets to pay benefits when due is presented in the PERS and STRS financial reports, as of December 31, 1987, and June 30, 1988, respectively, which are the most recent data available.

NOTE 9 PENSION PLANS (Continued)

B. SHPRS

SHPRS was established in 1944 by the General Assembly as a single-employer, defined benefits pension plan. SHPRS is authorized under Chapter 5505, Ohio Revised Code, to provide retirement and disability benefits to retired members and survivor benefits to qualified dependents of deceased members of the Ohio State Highway Patrol.

SHPRS' general administration and management is vested in a six-member retirement board, which consists of three elected members and three statutory members. The board appoints an executive director, actuary, investment advisor, investment monitor, and other employees.

SHPRS membership consisted of the following, as of December 31, 1987:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	578
Current employees:	
Vested	242
Nonvested	1,013
Total	1,833

Contributions to SHPRS

Chapter 5505, Ohio Revised Code, requires contributions by active members and the Ohio State Highway Patrol. The employee contribution rate is established by the General Assembly, and any change in the rate requires legislative action. The employer contribution rate is established by the SHPRS Retirement Board and certified to the State of Ohio every two years. By law, the employer rate may not exceed three times the employee contribution rate. Active members and the Ohio State Highway Patrol are required to contribute nine percent and 24.66 percent, respectively, of active member payroll. Contributions may be refunded to a member who terminates employment with the Ohio State Highway Patrol or to the member's beneficiary following the member's death.

SHPRS Benefits

Members are eligible for normal retirement benefits upon reaching age 52 and accumulating at least 20 years of Ohio State Highway Patrol service credit. The benefits are a percentage of the member's final average salary, the average of the member's three highest salaried years. The percentage is determined by multiplying 2.5 percent times the first 20 years of service plus two percent times the next five years plus 1.5 percent for each year in excess of 25 years of service. A member's pension cannot exceed 72 percent of the final average salary. Early retirement with reduced benefits is available upon reaching age 48 with 20 years of service credit.

In addition to the retirement benefits, SHPRS also provides for disability, survivor, and health care benefits. Qualified dependents of a deceased member are eligible for monthly survivor benefits. All members receiving a benefit from SHPRS are eligible to receive medical insurance.

NOTE 9 PENSION PLANS (Continued)

Members with credited service from prior Ohio State Highway Patrol service, military service time prior to employment, military service interrupting Ohio State Highway Patrol service, and full-time police or fire service are eligible to purchase service credit for one or all of the related retirement plans. Effective October 20, 1987, members of the SHPRS with prior participation in Ohio's State Teachers Retirement System, School Employees Retirement System, Public Employees Retirement System, or Cincinnati Retirement System became eligible to purchase service credit for one or all of the related retirement plans.

SHPRS Funding Status and Progress

The amount shown as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help financial statement users in assessing SHPRS' funding status on a going-concern basis and its progress in accumulating sufficient assets to pay benefits when due and in making comparisons among public employee retirement systems. The measure is independent of the actuarial funding method used to determine contributions to SHPRS.

The pension benefit obligation was determined as part of an actuarial valuation, as of December 31, 1987. Actuarial valuations are calculated annually by SHPRS' actuaries. Significant actuarial assumptions used in the valuation include the following:

Rate of return on the SHPRS investments of 7.5 percent, compounded annually, net of administration expenses;

Projected salary increases of 5.5 percent, compounded annually, attributable to inflation;

Additional projected salary increases ranging from 0 to 4.2 percent a year attributable to seniority and merit;

Post-retirement mortality life expectancies of members based on the 1971 Group Annuity Mortality Male and Female Tables, projected to 1984;

Rates of withdrawal from active service before retirement for reasons other than death, rates of disability and expected retirement ages developed on the basis of actual plan experience;

Health care costs are assumed to increase 5.5 percent annually;

Health care benefit recipients are eligible for Medicare on attainment of age 65, or immediately, if retired for disability;

Employer contributions paid in equal installments throughout the employer fiscal year; and

Pension benefits will increase after retirement in accordance with valuation assumptions at December 31, 1987.

NOTE 9 PENSION PLANS (Continued)

The total unfunded pension benefit obligation at December 31, 1987, was $57 million as follows (amounts expressed in thousands):

Pension Benefit Obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not receiving benefits	$ 65,411
Current employees:	
Accumulated employee contributions, including allocated investment income	25,342
Employer-financed vested	44,624
Employer-financed nonvested	53,920
Total pension benefit obligation	189,297
Net assets available for health care and pension benefits, at cost (market value is $156 million)	150,827
Net assets available for benefits allocated to health care benefits	(18,410)
Net assets available for pension benefits	132,417
Unfunded pension benefit obligation	$ 56,880

The pension benefit obligation shown above does not include an estimated obligation for health care benefits, and accordingly, the net assets available for benefits is reduced by the amount applicable to health care benefits to calculate the unfunded pension benefit obligation.

SHPRS Contributions Required and Contributions Made

SHPRS' funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates are determined using the entry age actuarial funding method. SHPRS also uses the level percentage of payroll method to amortize the unfunded liability over a closed 32-year period. A statutory cost-of-living contribution of .5 percent of active member payroll is also required.

NOTE 9 PENSION PLANS (Continued)

During calendar year 1987, contributions were made in accordance with actuarially determined contribution requirements determined through actuarial valuations performed at December 31, 1986. These contributions consisted of the following (amounts expressed in thousands):

	Amount	Percent of Active Member Payroll
Normal costs	$ 9,668	25.11%
Amortization of the unfunded actuarial accrued liability	3,099	8.05
Statutory cost-of-living contributions	193	.50
Total	$ 12,960	33.66%

The available required two-year trend information follows:

	1987	1986
Net assets available for benefits as a percentage of pension benefit obligation	70.0%	71.3%
Unfunded pension benefit obligation as a percentage of annual covered payroll	147.7%	131.3%
Employer contributions as a percentage of annual covered payroll	24.7%	24.7%

SHPRS maintains its own accounting system separately from the State's and publishes a separate publicly available component unit financial report. The available required 10-year historical trend information showing the fund's progress in accumulating sufficient assets to pay benefits when due is presented in that report, as of December 31, 1987.

SHPRS Health Care Benefits

In addition to providing pension benefits, SHPRS pays health insurance claims on behalf of all persons receiving a monthly pension or survivor benefit and Medicare Part B basic premiums for those eligible benefit recipients upon proof of coverage. The cost of retiree health care benefits is recognized as claims are incurred and premiums are paid. The calendar year 1987 expense was $795 thousand.

Health care benefits are funded on an actuarial basis. During 1987, 3.03 percent and 1.02 percent of active member payroll was allocated to fund health care normal costs and the amortization of the unfunded actuarial accrued liability, respectively. The net assets available for benefits allocated to health care cost at December 31, 1987, was $18 million.

The actuarial accrued liability for health care benefits, the portion of the present value of plan promises to pay benefits in the future that are not covered by future normal cost contributions, was $29 million, as of December 31, 1987.

NOTE 10 GENERAL OBLIGATION BONDS

The State has pledged its faith and credit for the payment of principal and interest on general obligation bonds accounted for and included with obligations in the General Long-Term Obligations Account Group.

At various times since 1921 Ohio voters, by 12 constitutional amendments (the last adopted in 1987), have authorized the incurrence of general obligation debt for the construction and improvement of State facilities and highways, compensation for military service during the Vietnam Conflict, research and development of coal technology, and local infrastructure improvements. In practice, general obligation bonds are retired over periods of 10 to 35 years.

As of June 30, 1988, $3.96 billion in general obligation debt (excluding Highway Obligations discussed below), had been authorized by constitutional amendment of which $2.48 billion had been issued and $311 million was outstanding; the authorization to issue $233 million had expired.

Coal Development bonds may be issued as long as the outstanding principal amount does not exceed $100 million.

Highway Obligations may be issued as long as the outstanding principal amount does not exceed $500 million. The aggregate of General Assembly authorizations, as of June 30, 1988, for Highway Obligations, was $1.18 billion, of which $1.07 billion had been issued and $446 million was outstanding. Additional Highway Obligations may be issued from time to time, as authorized by the General Assembly, as outstanding Highway Obligations are retired.

A 1987 constitutional amendment authorized the issuance of $1.2 billion of general obligation bonds for infrastructure improvements (Infrastructure Bonds), of which no more than $120 million may be issued in any year. As of June 30, 1988, no Infrastructure Bonds had been issued.

General obligation bonds outstanding, and bonds authorized but unissued, as of June 30, 1988, were as follows (amounts expressed in thousands):

Purpose	Issued	Average Net Interest Rates	Maturing Through	Outstanding Balance	Authorized But Unissued
Highway Obligations	1969-88	4.3-7.4%	1998	$ 446,250	$ 111,875
Highway Improvement	1969-71	4.4-6.2	1989	9,650	----
Improvement	1970-71	5.0-5.2	1992	54,900	----
Public Improvements	1971-75	4.3-6.0	1995	68,100	----
Vietnam Conflict Compensation	1974	5.4-5.7	1989	25,000	----
Development	1968-72	4.3-5.9	1995	109,025	----
Coal Research/Development	1986	6.2	1996	44,200	50,000
Infrastructure	----	----	----	----	1,200,000
Total				$ 757,125	$ 1,361,875

NOTE 10 GENERAL OBLIGATION BONDS (Continued)

Changes in general obligation bonds during the year ended June 30, 1988, are summarized in NOTE 16. Future general obligation debt service requirements, as of June 30, 1988, were as follows (amounts expressed in thousands):

Year Ending June 30,	Principal	Interest	Total
1989	$ 154,075	$ 42,138	$ 196,213
1990	131,025	33,725	164,750
1991	115,145	26,332	141,477
1992	95,900	20,018	115,918
1993	71,205	14,775	85,980
Thereafter	189,775	25,427	215,202
Total	$ 757,125	$ 162,415	$ 919,540

NOTE 11 SPECIAL OBLIGATION BONDS

Special obligation bonds reported in the General Long-Term Obligations Account Group have been authorized and issued by the Ohio Building Authority (OBA) and the Ohio Public Facilities Commission (OPFC). OBA bonds finance the capital costs of categories of facilities including correctional facilities and office buildings for State departments and agencies and, in some cases, related facilities for local governments. OPFC bonds finance the cost of capital facilities for State-supported and State-assisted institutions of higher education, mental hygiene and retardation, and parks and recreation.

OBA bonds issued for State agencies are reflected as special obligation bonds, and OBA bonds issued for related local government facilities are shown as revenue bonds (See NOTE 12).

OBA and OPFC bonds are secured by pledges of lease rental payments from biennial General Fund appropriations, funds held by trustees pursuant to related trust agreements, and other receipts, as required by the respective bond documents.

Special obligation bonds outstanding, and bonds authorized but unissued, as of June 30, 1988, were as follows (amounts expressed in thousands):

Organization	Issued	Average Net Interest Rates	Maturing Through	Outstanding Balance	Authorized But Unissued
Ohio Building Authority	1979-88	5.1-9.3% (and variable rates)	2014	$ 921,296	$ ----
Ohio Public Facilities Commission	1970-88	5.0-13.1%	2005	2,060,470	978,210
Total				$ 2,981,766	$ 978,210

NOTE 11 SPECIAL OBLIGATION BONDS (Continued)

Changes in special obligation bonds reported in the General Long-Term Obligations Account Group for the year ended June 30, 1988, are summarized in NOTE 16. Future special obligation debt service requirements, as of June 30, 1988, were as follows (amounts expressed in thousands):

Year Ending June 30,	Principal	Interest	Total
1989	$ 142,922	$ 223,581	$ 366,503
1990	153,589	212,461	366,050
1991	161,632	200,667	362,299
1992	174,108	188,271	362,379
1993	187,175	174,774	361,949
Thereafter	2,162,340	1,082,801	3,245,141
Total	$ 2,981,766	$ 2,082,555	$ 5,064,321

In fiscal year 1988, the OPFC advance refunded certain Higher Education and Mental Health bonds with two separate special obligation refundings. The OPFC issued $130 million and $72 million of special obligation refunding bonds to advance refund $114 million and $80 million, respectively, of special obligation bonds. The net proceeds of $200 million plus an additional $30 million of existing debt service monies were used to purchase U.S. government securities, which were placed in irrevocable trusts with an agent to provide for all future debt service payments on the refunded principal. As a result, the refunded bonds are no longer considered to be outstanding and the corresponding principal amounts have been removed from the total OPFC special obligation bond liability balance in the General Long-Term Obligations Account Group.

The OPFC advance refunded the Higher Education bonds to reduce its debt service payments over 18 years by $15 million and to obtain an economic gain of $9 million. The OPFC advance refunded the Mental Health bonds to reduce its debt service payments over 11 years by approximately $21 million and to obtain an economic gain of $7 million.

In prior years, OBA defeased certain bond issues by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the State's financial statements. As of June 30, 1988, $340 million of OBA bonds outstanding are considered defeased.

NOTE 12 REVENUE BONDS

The State Constitution permits State agencies and authorities to issue bonds that are not supported by the faith and credit of the State. These bonds pledge income derived from user fees and rentals on the acquired or constructed assets to pay the debt service. Issuers include the Ohio Turnpike Commission (OTC), Treasurer of State for the Ohio Department of Development's Economic Development Financing Division (EDFD), State Parking Commission (SPC), and Ohio Building Authority (OBA).

NOTE 12 REVENUE BONDS (Continued)

OTC bonds financed the construction and acquisition of roadways (the Ohio Turnpike), and equipment. OTC bonds are payable from OTC revenues, including tolls and other user charges.

Economic development bonds, issued by the Treasurer of State for the EDFD's Direct Loan Program, provide financing for loans and loan guarantees to businesses within the State, which cannot obtain conventional financing for economic development projects that create or retain jobs in the State. The bonds are secured with profits derived from the sale of spirituous liquor by the Ohio Department of Liquor Control and pledged monies and related investment earnings held in reserve under a trust agreement with a financial institution.

During fiscal year 1988, a new series of taxable economic development bonds in the amount of $10 million was issued by the Treasurer of State for the EDFD, placed in a reserve, and invested with a trustee and pledged to secure the repayment of additional economic development bonds issued in connection with the Ohio Enterprise Bond Program. As of June 30, 1988, no bonds related to the specific Ohio Enterprise Bond Program projects had been issued or were outstanding. The revenue bonds for the Ohio Enterprise Bond Program will be issued from time to time pursuant to the direction of the Director of Development under the authority of Section 166.09, Ohio Revised Code. This debt will provide private entities with capital financing for economic development projects and will primarily be secured by the property financed. Payments made by the borrowing entities will be used to retire the debt and to service interest payments.

SPC bonds financed the construction of the underground parking facility located under the statehouse grounds in Columbus. SPC revenues, after provision for operation and maintenance of the facility, are pledged to repay the bonds.

Some OBA revenue bonds finance the costs of office buildings and related facilities for shared use by local governments. The principal and interest requirements on these bonds are paid from rentals received.

NOTE 12 REVENUE BONDS (Continued)

Revenue bonds outstanding, as of June 30, 1988 (December 31, 1987, for the SPC), net of unamortized discounts as applicable to the proprietary fund types only, were as follows (amounts expressed in thousands):

Organization	Issued	Interest Rates	Maturing Through	Outstanding Balance
General Long-Term Obligations:				
Ohio Turnpike Commission	1984	8.5%	1992	$ 4,810
Economic Development/Treasurer of State	1985-88	9.7-11.4	2007	162,070
Total				$ 166,880
Enterprise:				
State Parking Commission	1963	4.0	2003	$ 1,374
Total				$ 1,374
Internal Service:				
Ohio Building Authority	1985	5.5-9.8	2007	$ 56,039
Total				$ 56,039

The outstanding balance of OBA's bonds, as reported above, includes current bonds payable of $1.646 million, which is reflected in "Refund and Other Liabilities" on the Combined Balance Sheet -- All Fund Types and Account Groups, as of June 30, 1988.

The balance of revenue bonds outstanding for the proprietary fund types, as reported in this note for the fiscal year ended June 30, 1988, include unamortized bond discounts of $4 million.

Changes in revenue bonds reported in the General Long-term Obligations Account Group for the year ended June 30, 1988, are summarized in NOTE 16.

Future revenue bond service requirements, as of June 30, 1988 (December 31, 1987, for the SPC and OTC) were as follows (amounts expressed in thousands):

	General Long-Term Obligations Account Group		Enterprise		Internal Service	
	Principal	Interest	Principal	Interest	Principal	Interest
Year Ending June 30,						
1989	$ 2,390	$ 17,252	$ 184	$ 49	$ 1,653	$ 4,572
1990	3,150	16,787	191	42	1,761	4,461
1991	3,515	16,425	200	34	1,883	4,337
1992	3,935	16,020	207	25	2,022	4,200
1993	9,210	15,416	217	17	2,175	4,048
Thereafter	144,680	139,924	417	8	50,720	39,513
Portion of bonds called, but not redeemed	----	----	19	----	----	----
Total	$ 166,880	$ 221,824	$ 1,435	$ 175	$ 60,214	$ 61,131

NOTE 13 NO COMMITMENT DEBT (not included in the financial statements)

The State of Ohio by action of the General Assembly created various financing authorities for the expressed purpose of making available to non-profit and, in some cases, for-profit private entities lower cost sources of capital financing for facilities and projects found to be for a public purpose. Fees are assessed to recover related processing and application costs incurred. The authorities' debt instruments represent limited obligations payable solely from payments made by the borrowing entities. Most of the bonds are secured by the property financed. Upon repayment of the bonds, ownership of acquired property transfers to the entity served by the bond issuance. This debt is not deemed to constitute a debt of the State or pledge of the faith and credit of the State. Accordingly, these bonds are not reflected in the accompanying financial statements.

As of June 30, 1988 (December 31, 1987, for the Ohio Air Quality Development Authority and the Ohio Water Development Authority), revenue bonds, net of advance refunded bonds of $714 million, and notes outstanding, as reported in the following organizations' financial statements that represented "no commitment" debt for the State were as follows (amounts expressed in thousands):

Organization	Outstanding Amount
Ohio Air Quality Development Authority	$ 1,550,436
Ohio Housing Finance Agency (net of discount)	1,280,034
Ohio Water Development Authority (net of discount)	881,502
Total	$ 3,711,972

NOTE 14 LEASE OBLIGATIONS

As of June 30, 1988, $66 million and $30 million of lease obligations (including accrued interest) were payable from the State Data Center and the Telecommunications internal service funds, respectively, for the purchase of data-processing equipment and software, and a telecommunications system upgrade, financed through a financing lease (ultimately fractionalized by the sale of certificates of participation).

Under the financing arrangement, the State is required to make lease payments. Those lease payments approximate the interest and principal payments made by a trustee to certificate holders.

NOTE 14 LEASE OBLIGATIONS (Continued)

Future minimum lease commitments, as of June 30, 1988, were as follows (amounts expressed in thousands):

Year ending June 30,	Principal	Interest	Total
1989	$ 12,105	$ 6,700	$ 18,805
1990	16,935	5,859	22,794
1991	19,700	4,515	24,215
1992	10,940	3,302	14,242
1993	9,705	2,539	12,244
Thereafter	25,895	2,560	28,455
Total	$ 95,280	$ 25,475	$ 120,755

NOTE 15 OTHER LONG-TERM OBLIGATIONS

As of June 30, 1988, other long-term obligations of the State reported in the General Long-Term Obligations Account Group were as follows (amounts expressed in thousands):

Compensated absences (A)	$ 113,392
Lease agreements (B)	7,227
Judgments (C)	15,005
Workers' Compensation Obligation (D)	258,890
Deferred interest (E)	40,021
Employee Severance Anticipation Compensation Plan (E)	7,874
Total Other General Long-Term Obligations	$ 442,409

A. Compensated Absences

Generally, employees accrue vacation leave at a rate of 3.1 hours every two weeks for the first five years of employment, up to a maximum rate of 7.7 hours every two weeks after 20 years of employment. Employees may accrue a maximum of three years vacation leave credit. At termination or retirement, employees are paid at their full rate 100 percent of unused vacation leave, personal leave, and compensatory time and 50 percent of unused sick leave.

In order to lessen the impact of terminal leave pay on a given State department's budget, an accrued leave funding program was instituted by law in 1982. State agencies must contribute a percentage of gross payroll to a common pool of resources from which terminal leave expenditures/expenses are paid. The amount of cash equity with Treasurer and related interest receivable available to satisfy terminal pay claims at June 30, 1988, was $67 million. These and related assets are reported as part of the Payroll Withholding and Fringe Benefits Agency Fund.

NOTE 15 OTHER LONG-TERM OBLIGATIONS (Continued)

The compensated absence liability for proprietary funds is reported net of their portion of accrued leave funding and is reflected in accrued liabilities. The compensated absence liability for governmental funds is also reported net of their portion of the accrued leave funding and is reported as part of the General Long-Term Obligations Account Group.

The gross compensated absences liability, as of June 30, 1988, was $189 million of which $15 million is allocable to the proprietary funds and $174 million is allocable to the General Long-Term Obligations Account Group. The net (after reduction of the $67 million) compensated absence liability, as of June 30, 1988, was $122 million, of which $9 million is reported in the proprietary funds and $113 million is reported in the General Long-Term Obligations Account Group.

B. Lease Agreements

The State leases office buildings and office and computer equipment. Although the lease terms vary, most leases are renewable subject to biennial appropriations by the General Assembly. If the likelihood of the exercise of a fiscal funding clause in the lease agreement is in the judgment of management remote, then the lease is considered noncancelable for financial reporting purposes and is reported as a fund expenditure/expense for operating leases or in the General Long-Term Obligations Account Group or appropriate proprietary fund types for capital leases.

Assets acquired through capital leasing are valued at the lower of fair market value or the present value of the future minimum lease payments at the inception of the lease. Capital lease obligations for the proprietary fund types are reported in those funds as long-term obligations. The related assets and depreciation of these assets are included in the proprietary funds. Capital lease obligations for the governmental fund types are reported in the General Long-Term Obligations Account Group and the related assets are reported in the General Fixed Assets Account Group.

Operating leases (leases on assets not recorded in the combined balance sheet) contain various renewal options as well as some purchase options.

Any escalation clauses, sublease rentals, and contingent rents are considered immaterial to the future minimum lease payments and current rental expenditures. Operating lease payments are recorded as expenditures or expenses of the related funds when paid or incurred.

For the Telecommunications and Ohio Data Network internal service funds, information is not available to report capital leases and the related fixed assets, accumulated amortization and amortization expense, and required lease and noncash financing and investing activities disclosures in conformity with GAAP. Accordingly, such amounts for these funds are not included below or in the accompanying financial statements. The effects of these omissions on the accompanying financial statements cannot be determined. Management is assembling the necessary records to permit capital lease reporting in conformity with GAAP.

NOTE 15 OTHER LONG-TERM OBLIGATIONS (Continued)

The total operating lease expenditures/expenses for fiscal year 1988 were approximately $14 million. Future minimum lease commitments for operating leases and capital leases judged to be noncancelable, as of June 30, 1988, were as follows (amounts expressed in thousands):

		CAPITAL LEASES	
	Operating Leases	General Long-Term Obligations	Enterprise Funds
Fiscal year ending June 30,			
1989	$ 10,712	$ 3,734	$ 104
1990	1,877	3,038	104
1991	1,624	1,981	67
1992	1,377	740	3
1993	1,216	46	----
Thereafter	2,244	----	----
Total minimum lease payments	$ 19,050	9,539	278
Less: Amount representing interest		2,312	32
Present value of net minimum lease payments		$ 7,227	$ 246

As of June 30, 1988, the State had the following fixed assets (net of accumulated depreciation for proprietary funds and exclusive of the capital leases of the Telecommunications and Ohio Data Network internal service funds) under capital leases (amounts expressed in thousands):

	General Long-Term Obligations	Enterprise	Total
Equipment	$ 6,929	$ 302	$ 7,231
Vehicles	298	----	298
Total	$ 7,227	$ 302	$ 7,529

Amortization expense for the enterprise funds is included with depreciation expense.

C. Judgments

The Ohio Department of Education has been involved with several school desegregation court cases filed against the State by various local boards of education. In cases where the judgment went against the State, the courts decided that the State was responsible for sharing in all past and future desegregation costs. As of June 30, 1988, the State was responsible for $15 million in past desegregation costs, which is recorded in the General Long-Term Obligations Account Group. The total liability for future desegregation costs cannot be estimated since the State must share in 50 percent of costs for as long as desegregation is required. However, the Ohio Department of Education estimates that, as of June 30, 1988, the State will pay approximately $21 million each year that desegregation is required.

NOTE 15 OTHER LONG-TERM OBLIGATIONS (Continued)

For information on the State's loss contingencies arising from pending litigation and asserted claims, see NOTE 21.

D. Workers' Compensation Obligation

The State is permitted to pay its Workers' Compensation liability on a terminal funding (pay-as-you-go) basis. As a result, the Bureau of Workers' Compensation (BWC) recognized an unbilled premium receivable for the State's portion of its actuarially determined liability for compensation. The $259 million reported in the General Long-Term Obligations Account Group represents BWC's estimate of the State's portion of the long-term obligation.

E. Deferred Interest and Employee Severance Anticipation Compensation Plan

The Ohio Bureau of Employment Services had a $40 million liability, as of June 30, 1988, for interest payable on unemployment compensation advances from the U.S. Treasury. This liability is recorded in the General Long-Term Obligations Account Group as the conditions of the advance require that the obligation be satisfied from governmental funds rather than the Unemployment Insurance Trust Fund. The $40 million in interest was subsequently paid by the State on September 29, 1988.

The Ohio Turnpike Commission has adopted by resolution an "Employee Severance Anticipation Compensation Plan" (Plan), which will provide severance pay to each eligible employee whose employment by the Commission is terminated as a direct result of the outstanding bonds being paid and the Turnpike Project No. 1 being turned over to the State of Ohio as a toll-free road pursuant to current Section 5537.21, Ohio Revised Code. The amounts paid will cover years of service, unused sick leave, and vacation leave, with such amounts being determined by the Plan's provision. The accrued liability for vacation leave and unused sick leave, as of December 31, 1987, was $8 million and is reflected in the General Long-Term Obligations Account Group.

F. Deferred Prize Awards

Prize awards payable in installments over future years are recorded at present value based upon interest rates the Treasurer of State provides the Ohio Lottery Commission. The interest rates are reviewed by the Ohio Office of Budget and Management and represent the expected long-term rate of return on the assets restricted for the payment of deferred prize awards. Once established for a particular deferred prize award, the interest rate does not change with changes in the expected long-term rate of return. The difference between the present value and gross amount of the obligations is amortized into income over the terms of the obligations using the interest method.

NOTE 15 OTHER LONG-TERM OBLIGATIONS (Continued)

The present value of future payments for unpaid prize awards, as of June 30, 1988, is summarized as follows (amounts expressed in thousands):

Year Ending June 30,	
1989	$ 59,386
1990	58,091
1991	58,091
1992	57,824
1993	57,509
1994 through 1998	282,175
1999 through 2003	277,391
2004 through 2008	148,268
2009 through 2011	541
Total	999,276
Unamortized Discount	(445,094)
Net Prize Liability	$ 554,182

The net prize liability for deferred prize awards, as reported above, includes a current net prize liability of $18.175 million, which is reflected in "Refund and Other Liabilities" on the Combined Balance Sheet -- All Fund Types and Account Groups, as of June 30, 1988.

Prizes can be claimed within one year of the drawing date for on-line games and within one year of the close of a game for instant games. After the expiration of the statutory one-year period, the prize liability is reduced for the unclaimed prizes.

G. Reserve for Compensation

The Ohio Bureau of Workers' Compensation Enterprise Fund provides benefits to employees for losses sustained from job-related injury, disease, or death. The Bureau has computed a reserve for compensation, as of June 30, 1988, of $8.61 billion. The reserve, which includes estimates for reported claims and claims incurred but not reported, is reflected as a liability on the Combined Balance Sheet -- All Fund Types and Account Groups, as of June 30, 1988.

NOTE 16 CHANGES IN GENERAL LONG-TERM OBLIGATIONS

Changes in general long-term obligations for the year ended June 30, 1988, are summarized as follows (amounts expressed in thousands):

	General Obligation Bonds (NOTE 10)	Special Obligation Bonds (NOTE 11)	Revenue Bonds (NOTE 12)	General Long-Term Obligations (NOTE 15)
Balance, as of July 1, 1987	$ 735,530	$ 2,839,593	$ 228,710	$ 481,501
Additions:				
Debt Issues	170,000	460,900	10,000	----
Compensated Absences	----	----	----	13,587
Increase in Lease Obligations	----	----	----	2,146
Increase in Judgments	----	----	----	7,035
Increase in Workers' Compensation Obligation	----	----	----	2,806
Total Additions	170,000	460,900	10,000	25,574
Deductions:				
Debt Retirements, Terminations, and Defeasances	148,405	318,727	71,830	----
Decrease in Lease Obligations	----	----	----	3,230
Decrease in U.S. Treasury Deferred Interest	----	----	----	48,606
Decrease in Judgments	----	----	----	12,830
Total Deductions	148,405	318,727	71,830	64,666
Balance, as of June 30, 1988	$ 757,125	$ 2,981,766	$ 166,880	$ 442,409

NOTE 17 DEFERRED COMPENSATION PLAN

The State offers its employees and elected officials a deferred compensation plan created in accordance with Internal Revenue Code Section 457 that is reported in the Deferred Compensation Agency Fund. The plan, available to any public employee, permits participants to defer a portion of their salary and the related tax liability until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State (without being restricted to the provisions of benefits under the plan), subject only to the claim of the State's general creditors. Participants' rights under the plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account for each participant.

NOTE 17 DEFERRED COMPENSATION PLAN (Continued)

The State believes that it is unlikely that the assets will be used to satisfy the claims of general creditors in the future and no assets have been used in the past to satisfy such claims.

The $175 million reported on the Combined Balance Sheet -- All Fund Types and Account Groups as Deposit with Deferred Compensation Plan represents State assets actually held by the plan administrator. An additional $2 million is also reported as "Due from Other Funds" and represents contributions by plan participants as of June 30, 1988, that had not yet been remitted to the plan administrator by the State.

NOTE 18 ENTERPRISE FUNDS

A. Segment Information

The State has four enterprise funds, which provide for workers' compensation insurance services, liquor sales, lottery sales, and state parking facilities.

Segment information for the fiscal year ended June 30, 1988, unless otherwise noted, was as follows (amounts expressed in thousands):

	Workers' Compensation Fund (12/31/87)	Liquor Control Fund	Ohio Lottery Commission	State Parking Commission (12/31/87)	Total Enterprise Funds
Operating revenues	$ 1,193,559	$ 350,376	$ 1,411,056	$ 1,872	$ 2,956,863
Depreciation and amortization	2,953	933	5,552	186	9,624
Operating income (loss)	(575,051)	69,228	545,869	798	40,844
Operating transfers-out	----	67,935	506,973	----	574,908
Net income (loss)	(18,547)	1,128	38,617	969	22,167
Fixed asset additions	4,507	2,750	3,261	2	10,520
Fixed asset disposals	----	556	4,155	----	4,711
Net working capital	1,448,235	12,105	25,847	4,307	1,490,494
Increase (decrease) in cash and cash equivalents	571	(792)	69,597	78	69,454
Total assets	6,743,853	31,417	650,995	8,104	7,434,369
Bonds and other long-term liabilities payable from operating revenues	8,610,148	----	----	1,374	8,611,522
Total equity	(2,271,280)	16,199	72,240	6,554	(2,176,287)

NOTE 18 ENTERPRISE FUNDS (Continued)

B. Workers' Compensation Fund

The financial statements of the Ohio Bureau of Workers' Compensation and the Industrial Commission of Ohio (Workers' Compensation Enterprise Fund), as of and for the year ended December 31, 1987, were examined by their independent auditors, who issued their report on their examination on December 9, 1988. The accounting records of the Workers' Compensation Enterprise Fund are not adequate to permit proper measurement of certain assets and liabilities, including estimates of reserves for claims. In addition, the outcome of several litigation matters is uncertain and their auditors were not able to apply sufficient auditing procedures to satisfy themselves as to the fairness of presentation of the financial statements. Accordingly their auditors did not express an opinion on the financial statements of the Workers' Compensation Enterprise Fund. For additional information, refer to the separate audit report of the Ohio Bureau of Workers' Compensation and the Industrial Commission of Ohio.

NOTE 19 SPECIAL REVENUE FUNDS

The independent auditors of the Ohio Bureau of Employment Services reported that certain expenditures of its special revenue funds, which had been incurred and which were reimbursed under federal awards, have been questioned in the amount of $51 million. The amount of expenditures, which may ultimately be disallowed by grantor agencies and repaid by the Bureau, is not presently determinable, and no provision has been made in the financial statements of the Special Revenue fund of the Bureau for the effect, if any, of such repayment.

NOTE 20 RETAINED EARNINGS DEFICIT

A retained earnings deficit of $2.27 billion is reported for the Workers' Compensation Enterprise Fund, as of June 30, 1988. Management believes the financial condition of the Workers' Compensation Fund can be improved through the provisions of new legislation and current programs aimed at controlling medical claim costs and lost time compensation claim expenses and through increases in premiums.

The Telecommunications Internal Service Fund, has a retained earnings deficit of $13 million as of June 30, 1988. Management believes that a substantial portion, if not all, of the deficit balance will be eliminated when fixed asset and capital lease information becomes available and is reported in the Telecommunications Fund.

NOTE 21 CONTINGENCIES

The State, its units and employees are parties to numerous legal proceedings, which normally occur in governmental operations. All legal proceedings are not, in the opinion of management after consultation with the Attorney General, likely to have a material adverse impact on the financial position of any of the State's fund types and account groups.

NOTE 21 CONTINGENCIES (Continued)

Additionally, the State and its units are involved in certain other legal proceedings which, if decided adversely to the State, may require the State to make future expenditures for expanded services or capital facilities or may impair future revenue sources. It is possible neither to determine the outcomes of these proceedings nor to estimate the possible effects adverse decisions may have on the future expenditures or revenue sources of the State.

Under the terms of federal grants, periodic audits are required and certain costs have been and may be questioned as not being appropriate expenditures under the terms of the grants. Claims resulting from such audits could lead to reimbursements to the grantor agencies. Management believes ultimate disallowances, if any, will be immaterial to all fund types and account groups.

NOTE 22 SUBSEQUENT EVENTS

Subsequent to June 30, 1988, the State had the following major debt issues (amounts expressed in thousands):

Organization	Date of Issue	Average Net Interest Rates	Amount	Type of Debt
Ohio Building Authority:				
State Facilities-Fountain Square/ State Office Building	July 7, 1988	7.4%	$ 52,160	Special Obligation
State Facilities Bond Anticipation Notes	August 22, 1988	10.0	4,700	Special Obligation
Correctional Facilities	August 25, 1988	7.8	75,000	Special Obligation
Ohio Public Facilities Commission:				
Parks and Recreation Facilities Bond Anticipation Notes	July 6, 1988	5.5	20,000	Special Obligation
Higher Education Facilities, Series1988B	September 29, 1988	7.1	115,000	Special Obligation
Mental Health Facilities, Series 1988A	September 29, 1988	7.3	40,000	Special Obligation
Treasurer of State:				
Infrastructure Improvement	December 20, 1988	7.2	120,000	General Obligation
Total			$ 426,860	

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COMBINING FINANCIAL STATEMENTS

SPECIAL REVENUE FUNDS

The **Special Revenue Funds** account for specific revenues that are legally restricted to expenditure for designated purposes.

The **Community and Economic Development Fund** accounts for programs administered by the Department of Development, the Ohio Housing Finance Agency, the Ohio Air Quality Development Authority, the Ohio Water Development Authority, and other various State agencies, which are designed to assure the efficient use of resources for the State's economic growth and development.

The **Human Services Fund** accounts for public assistance programs primarily administered by the Department of Human Services and various other State agencies, which provide financial assistance, services, and training to those individuals and families who do not have sufficient resources to meet their basic needs.

The **Health Fund** accounts for public health programs administered by the Department of Health, which promote the prevention and treatment of diseases and illnesses through technical assistance, health education, and research.

The **Mental Health and Retardation Fund** accounts for mental health care and retardation programs administered by the Department of Mental Health and the Department of Mental Retardation and Developmental Disabilities, which provide assistance, services, and medical care to those individuals with mental health and developmental disability problems.

The **Employment Services Fund** accounts for programs administered by the Ohio Bureau of Employment Services, which provide unemployment benefits, job placement services, and training to eligible individuals.

The **Education Fund** accounts for programs administered by the Department of Education, the Ohio Board of Regents, and other various State agencies, which prescribe the State's minimum educational requirements and which provide funding and assistance to local school districts for basic instruction and vocational and technical job training and to the State's colleges and universities for post-secondary education.

The **Student Loan Commission Fund** accounts for the Federal Guaranteed Student Loan Program and other programs administered by the Ohio Student Loan Commission, which provide financial assistance to eligible individuals attending higher educational institutions.

The **Highway Safety Fund** accounts for public safety programs administered by the Department of Highway Safety, which are designed to enforce traffic-related laws for the purpose of reducing accidents, deaths, injuries, and property damages on Ohio highways.

SPECIAL REVENUE FUNDS (Continued)

The **Highway Operating Fund** accounts for programs administered by the Department of Transportation, which provide for the planning and design, construction, and maintenance of Ohio's highways and roads.

The **Ohio Turnpike Commission Fund** accounts for the general operations of the Ohio Turnpike Commission, which is authorized by the Ohio General Assembly to construct, maintain, repair, police, and operate turnpike projects at such locations approved by the State.

The **Natural Resources Fund** accounts for environmental programs administered by the Department of Natural Resources, the Environmental Protection Agency, and other various State agencies, which promote, protect, and manage the State's natural resources and environment.

The **Wildlife and Waterway Safety Fund** accounts for programs administered by the Department of Natural Resources' Divisions of Wildlife and Watercraft, which promote, protect, and manage the State's wildlife and waterways and which provide technical assistance and education to the public.

The **Regulatory Fund** accounts for programs administered by various State agencies, which are designed to regulate industry, agriculture, commerce, and other activities conducted within the State.

The **Revenue Distribution Fund** accounts for tax relief and aid to local government programs, which derive funding from tax and other revenues levied, collected, and designated by the State for these purposes.

The **Other Fund** accounts for administrative and regulatory activities of various departmental programs and other miscellaneous State activities.

STATE OF OHIO
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1988
(amounts expressed in thousands)

	COMMUNITY AND ECONOMIC DEVELOPMENT	HUMAN SERVICES	HEALTH
ASSETS			
Cash Equity with Treasurer	$ 123,960	$ 62,765	$ 12,659
Cash with Custodian	1,414	290	—
Investments	42,890	—	—
Receivables:			
Taxes	—	—	—
Intergovernmental	—	12,433	7,615
Loans, Net	140,927	—	—
Other	1,462	38	—
Due from Other Funds	797	32	471
Inventories	—	—	—
Advance Payments to Subrecipients	—	8,755	—
Restricted Assets:			
Cash and Investments	22,941	—	—
Other Assets	—	—	—
TOTAL ASSETS	$ 334,391	$ 84,313	$ 20,745
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 8,749	$ 8,837	$ 6,864
Accrued Liabilities	4,497	4,340	712
Due to Other Funds	115	3,334	273
Deferred Revenues	1,180	20,523	892
Refund and Other Liabilities	—	1,761	—
Advance from Other Funds	525	—	—
Total Liabilities	15,066	38,795	8,741
Fund Balances:			
Reserved for:			
Debt Service	7,828	—	—
Encumbrances	62,727	41,282	2,823
Long-Term Portion of Loans Receivable	134,261	—	—
Other	25,641	8,755	—
Unreserved/Designated for:			
Other	88,022	—	—
Unreserved/Undesignated (deficits)	846	(4,519)	12,004
Total Fund Balances	319,325	45,518	12,004
TOTAL LIABILITIES AND FUND BALANCES	$ 334,391	$ 84,313	$ 20,745

MENTAL HEALTH AND RETARDATION	EMPLOYMENT SERVICES	EDUCATION	STUDENT LOAN COMMISSION	HIGHWAY SAFETY	HIGHWAY OPERATING
$ 15,739	$ 664	$ 126,626	$ 100	$ 56,202	$ 229,053
—	1,335	392	3,271	—	—
—	17,766	2,233	49,277	—	—
—	—	—		—	27,740
20,103	—	37,117	7,662	553	33,982
—	—	32,895	8,989	—	—
553	12,875	89	2,323	318	1,699
1	—	1,268	—	13,505	1,500
—	972	—	—	—	28,785
—	14,708	—	—	—	—
—	—	—	—	—	—
—	24	—	5,074	3,200	—
$ 36,396	**$ 48,344**	**$ 200,620**	**$ 76,696**	**$ 73,778**	**$ 322,759**
$ 1,524	$ 1,214	$ 643	$ 101	$ 1,937	$ 77,070
8,830	2,658	37,195	9,931	5,226	16,780
71	4,540	753	331	1,771	904
960	11,444	616	3,438	—	11,622
—	—	—	5,113	—	—
—	—	—	—	—	—
11,385	19,856	39,207	18,914	8,934	106,376
—	—	—	—	—	—
9,378	2,552	108,434	1,323	20,014	678,200
—	—	31,376	—	—	—
—	15,704	—	1	3,200	28,785
—	—	—	20,467	—	
15,633	10,232	21,603	35,991	41,630	(490,602)
25,011	28,488	161,413	57,782	64,844	216,383
$ 36,396	**$ 48,344**	**$ 200,620**	**$ 76,696**	**$ 73,778**	**$ 322,759**

(continued)

STATE OF OHIO
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1988
(amounts expressed in thousands)
(continued)

	OHIO TURNPIKE COMMISSION	NATURAL RESOURCES	WILDLIFE AND WATERWAY SAFETY
ASSETS			
Cash Equity with Treasurer	$ —	$ 166,663	$ 22,676
Cash with Custodian	517	637	44
Investments	2,407	—	—
Receivables:			
Taxes	—	—	480
Intergovernmental	—	2,022	4,229
Loans, Net	—	1,239	—
Other	1,666	758	130
Due from Other Funds	—	492	126
Inventories	2,948	—	—
Advance Payments to Subrecipients	—	—	—
Restricted Assets:			
Cash and Investments	14,802	—	—
Other Assets	2,595	—	—
TOTAL ASSETS	$ 24,935	$ 171,811	$ 27,685
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 885	$ 2,790	$ 482
Accrued Liabilities	1,210	2,852	762
Due to Other Funds	534	1,402	39
Deferred Revenues	—	173	—
Refund and Other Liabilities	—	103	—
Advance from Other Funds	—	—	—
Total Liabilities	2,629	7,320	1,283
Fund Balances:			
Reserved for:			
Debt Service	—	—	—
Encumbrances	—	46,068	4,086
Long-Term Portion of Loans Receivable	—	1,199	—
Other	19,963	—	—
Unreserved Designated for:			
Other	—	—	—
Unreserved Undesignated (deficits)	2,343	117,224	22,316
Total Fund Balances	22,306	164,491	26,402
TOTAL LIABILITIES AND FUND BALANCES	$ 24,935	$ 171,811	$ 27,685

REGULATORY	REVENUE DISTRIBUTION	OTHER	TOTAL
$ 24,675	$ 48,437	$ 32,474	$ 922,693
4	—	5	7,909
—	—	—	114,573
179	104,030	873	133,302
3,050	—	3,377	132,143
—	—	52	184,102
740	206	140	22,997
27	67,597	295	86,111
—	—	—	32,705
—	—	32	23,495
—	—	—	37,743
—	—	—	10,893
$ 28,675	**$ 220,270**	**$ 37,248**	**$ 1,708,666**
$ 1,920	$ —	$ 2,427	$ 115,443
1,451	137,803	825	235,072
235	151	745	15,198
334	1,430	3,045	55,657
—	35,487	—	42,464
—	—	197	722
3,940	174,871	7,239	464,556
—	—	—	7,828
2,149	—	10,900	989,936
—	—	52	166,888
—	50,156	32	152,237
—	—	—	108,489
22,586	(4,757)	19,025	(181,268)
24,735	45,399	30,009	1,244,110
$ 28,675	**$ 220,270**	**$ 37,248**	**$ 1,708,666**

STATE OF OHIO

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)

	COMMUNITY AND ECONOMIC DEVELOPMENT	HUMAN SERVICES	HEALTH
REVENUES:			
Income Taxes	$ —	$ —	$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	—	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	—	—	—
Licenses, Permits and Fees	—	5,104	7,443
Sales, Services and Charges	3,864	—	2,041
Federal Government	164,725	309,553	116,378
Other	29,017	4,892	10,473
TOTAL REVENUES	197,606	319,549	136,335
EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education	—	—	—
Public Assistance and Medicaid	—	166,639	—
Health and Human Services	—	130,235	138,842
Justice and Public Protection	125	4,605	—
Environmental Protection and Natural Resources	—	—	—
Transportation	—	—	—
General Government	—	—	—
Community and Economic Development	210,852	—	—
Local Government Support, Tax Relief and Other	—	—	—
CAPITAL OUTLAY	—	316	—
TOTAL EXPENDITURES	210,977	301,795	138,842
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(13,371)	17,754	(2,507)
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	10,000	—	—
Operating Transfers-in	1,600	—	3,447
Operating Transfers-out	(2,474)	—	(520)
TOTAL OTHER FINANCING SOURCES (USES)	9,126	—	2,927
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(4,245)	17,754	420
FUND BALANCES, JULY 1	323,570	27,764	11,584
FUND BALANCES, JUNE 30	$ 319,325	$ 45,518	$ 12,004

MENTAL HEALTH AND RETARDATION	EMPLOYMENT SERVICES	EDUCATION	STUDENT LOAN COMMISSION	HIGHWAY SAFETY	HIGHWAY OPERATING
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	250,448
—	—	—	—	—	16,258
1	—	—	—	64,039	4,344
—	—	438	3,608	301	1,493
159,365	287,272	419,021	10,040	4,951	433,032
36,915	59,142	5,541	4,703	10,602	76,801
196,281	**346,414**	**425,000**	**18,351**	**79,893**	**782,376**
—	—	622,471	—	—	—
—	—	3,823	11,987	—	—
—	—	—	—	—	—
203,115	325,068	151	—	3,600	—
—	—	—	—	143,723	—
—	—	—	—	—	—
—	—	—	—	—	1,027,953
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	1,296	—	349	273	—
203,115	**326,364**	**626,445**	**12,336**	**147,596**	**1,027,953**
(6,834)	**20,050**	**(201,445)**	**6,015**	**(67,703)**	**(245,577)**
—	—	—	—	—	—
—	—	305,304	—	89,806	294,555
—	—	(102)	—	(1)	(93,537)
—	—	**305,202**	—	**89,805**	**201,018**
(6,834)	**20,050**	**103,757**	**6,015**	**22,102**	**(44,559)**
31,845	8,438	57,656	51,767	42,742	260,942
$ 25,011	**$ 28,488**	**$ 161,413**	**$ 57,782**	**$ 64,844**	**$ 216,383**

(continued)

STATE OF OHIO

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)
(continued)

	OHIO TURNPIKE COMMISSION	NATURAL RESOURCES	WILDLIFE AND WATERWAY SAFETY
REVENUES:			
Income Taxes	$ —	$ —	$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	10,941	—
Motor Vehicle Fuel Taxes	—	—	3,987
Other Taxes	—	9,344	—
Licenses, Permits and Fees	83,104	13,057	18,432
Sales, Services and Charges	—	2,492	24
Federal Government	—	40,571	6,654
Other	1,934	17,518	3,241
TOTAL REVENUES	85,038	93,923	32,338
EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	—	73,153	27,721
Transportation	40,548	—	—
General Government	—	1,169	—
Community and Economic Development	—	16,963	—
Local Government Support, Tax Relief and Other	—	—	—
CAPITAL OUTLAY	—	—	1,729
TOTAL EXPENDITURES	40,548	91,285	29,450
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	44,490	2,638	2,888
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	—	—	—
Operating Transfers-out	(43,064)	(1,585)	—
TOTAL OTHER FINANCING SOURCES (USES)	(43,064)	(1,585)	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	1,426	1,053	2,888
FUND BALANCES, JULY 1	20,880	163,438	23,514
FUND BALANCES, JUNE 30	$ 22,306	$ 164,491	$ 26,402

REGULATORY	REVENUE DISTRIBUTION	OTHER	TOTAL
$ —	$ 346,965	$ 2,472	$ 349,437
—	128,117	9,149	137,266
—	66,510	542	77,993
—	508,832	4	763,271
12,892	12,042	613	51,149
38,849	251,380	1,901	487,654
90	—	6,801	21,152
6,530	—	17,477	1,975,569
10,402	1,685	15,591	288,457
68,763	**1,315,531**	**54,550**	**4,151,948**
—	—	—	622,471
—	—	1	15,811
—	—	—	166,639
—	—	—	801,011
334	—	26,969	175,756
—	—	—	100,874
—	—	3,732	1,072,233
53,079	—	8,435	62,683
6,209	—	11,791	245,815
—	1,009,844	—	1,009,844
—	—	—	3,963
59,622	**1,009,844**	**50,928**	**4,277,100**
9,141	**305,687**	**3,622**	**(125,152)**
—	—	—	10,000
1,614	18	—	696,344
(9,251)	(298,145)	(126)	(448,805)
(7,637)	**(298,127)**	**(126)**	**257,539**
1,504	**7,560**	**3,496**	**132,387**
23,231	37,839	26,513	1,111,723
$ 24,735	**$ 45,399**	**$ 30,009**	**$ 1,244,110**

STATE OF OHIO

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)

	COMMUNITY AND ECONOMIC DEVELOPMENT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	$ —	$ —	$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	—	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	—	—	—
Licenses, Permits and Fees	10,971	10,971	—
Sales, Services and Charges	—	—	—
Federal Government	158,291	158,291	—
Other	18,804	18,804	—
TOTAL REVENUES	188,066	188,066	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	731	531	200
Environmental Protection and Natural Resources	112	110	2
Transportation	—	—	—
General Government	820	400	420
Community and Economic Development	255,054	210,184	44,870
Local Government Support, Tax Relief and Other	—	—	—
CAPITAL OUTLAY	—	—	—
TOTAL BUDGETARY EXPENDITURES	256,717	211,225	45,492
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(68,651)	(23,159)	45,492
OTHER FINANCING SOURCES (USES):			
Operating Transfers-in	137	137	—
Operating Transfers-out	(156)	(156)	—
Encumbrance Reversions	25,995	25,995	—
TOTAL OTHER FINANCING SOURCES (USES)	25,976	25,976	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	$ (42,675)	2,817	$ 45,492
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		25,098	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		$ 27,915	

HUMAN SERVICES			HEALTH		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
5,094	5,094	—	9,468	9,468	—
—	—	—	2,041	2,041	—
328,687	328,687	—	112,008	112,008	—
9,102	9,102	—	13,945	13,945	—
342,883	**342,883**	—	**137,462**	**137,462**	—
—	—	—	—	—	—
—	—	—	—	—	—
228,166	163,736	64,430	—	—	—
144,794	132,593	12,201	145,323	134,327	10,996
4,930	4,669	261	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	829	267	562
—	—	—	—	—	—
—	—	—	—	—	—
1,089	385	704	—	—	—
378,979	**301,383**	**77,596**	**146,152**	**134,594**	**11,558**
(36,096)	**41,500**	**77,596**	**(8,690)**	**2,868**	**11,558**
3,719	3,719	—	450	450	—
(3,719)	(3,719)	—	(970)	(970)	—
8,450	8,450	—	3,271	3,271	—
8,450	**8,450**	—	**2,751**	**2,751**	—
$ (27,646)	**49,950**	**$ 77,596**	**$ (5,939)**	**5,619**	**$ 11,558**
	(32,474)			3,006	
	$ 17,476			**$ 8,625**	

(continued)

STATE OF OHIO

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)
(continued)

	MENTAL HEALTH AND RETARDATION		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	$ —	$ —	$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	—	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	—	—	—
Licenses, Permits and Fees	1	1	—
Sales, Services and Charges	—	—	—
Federal Government	172,067	172,067	—
Other	35,072	35,072	—
TOTAL REVENUES	207,140	207,140	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	233,465	213,774	19,691
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	—	—	—
Transportation	—	—	—
General Government	—	—	—
Community and Economic Development	—	—	—
Local Government Support, Tax Relief and Other	—	—	—
CAPITAL OUTLAY	—	—	—
TOTAL BUDGETARY EXPENDITURES	233,465	213,774	19,691
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(26,325)	(6,634)	19,691
OTHER FINANCING SOURCES (USES):			
Operating Transfers-in	—	—	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	4,858	4,858	—
TOTAL OTHER FINANCING SOURCES (USES)	4,858	4,858	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	$ (21,467)	(1,776)	$ 19,691
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		3,183	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		$ 1,407	

EMPLOYMENT SERVICES			EDUCATION		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
3	3	—	—	—	—
12	12	—	464	464	—
246,659	246,659	—	422,614	422,614	—
4,019	4,019	—	23,616	23,616	—
250,693	**250,693**	—	**446,694**	**446,694**	—
—	—	—	690,967	675,031	15,936
—	—	—	4,579	4,091	488
—	—	—	—	—	—
260,895	251,203	9,692	1,087	804	283
—	—	—	8,780	6,832	1,948
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
260,895	**251,203**	**9,692**	**705,413**	**686,758**	**18,655**
(10,202)	**(510)**	**9,692**	**(258,719)**	**(240,064)**	**18,655**
344	344	—	307,700	307,700	—
(345)	(345)	—	(102)	(102)	—
1,349	1,349	—	6,960	6,960	—
1,348	**1,348**	—	**314,558**	**314,558**	—
$ (8,854)	**838**	**$ 9,692**	**$ 55,839**	**74,494**	**$ 18,655**
	(2,727)			(64,840)	
	$ (1,889)			**$ 9,654**	

(continued)

STATE OF OHIO

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)

(continued)

	STUDENT LOAN COMMISSION		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	$ —	$ —	$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	—	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	—	—	—
Licenses, Permits and Fees	7,900	7,900	—
Sales, Services and Charges	—	—	—
Federal Government	—	—	—
Other	4	4	—
TOTAL REVENUES	7,904	7,904	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education	10,247	8,939	1,308
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	—	—	—
Transportation	—	—	—
General Government	—	—	—
Community and Economic Development	—	—	—
Local Government Support, Tax Relief and Other	—	—	—
CAPITAL OUTLAY	—	—	—
TOTAL BUDGETARY EXPENDITURES	10,247	8,939	1,308
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(2,343)	(1,035)	1,308
OTHER FINANCING SOURCES (USES):			
Operating Transfers-in	—	—	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	78	78	—
TOTAL OTHER FINANCING SOURCES (USES)	78	78	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	$ (2,265)	(957)	$ 1,308
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		(370)	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		$ (1,327)	

HIGHWAY SAFETY			HIGHWAY OPERATING		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	255,770	255,770	—
—	—	—	16,258	16,258	—
65,633	65,633	—	4,336	4,336	—
301	301	—	1,493	1,493	—
5,166	5,166	—	411,851	411,851	—
13,986	13,986	—	76,180	76,180	—
85,086	**85,086**	—	**765,888**	**765,888**	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
4,382	4,322	60	—	—	—
166,422	153,119	13,303	—	—	—
—	—	—	—	—	—
—	—	—	1,162,957	1,042,535	120,422
—	—	—	—	—	—
—	—	—	—	—	—
250	—	250	—	—	—
1,897	1,190	707	—	—	—
172,951	**158,631**	**14,320**	**1,162,957**	**1,042,535**	**120,422**
(87,865)	**(73,545)**	**14,320**	**(397,069)**	**(276,647)**	**120,422**
89,806	89,806	—	292,680	292,680	—
(1)	(1)	—	(89,814)	(89,814)	—
2,524	2,524	—	34,984	34,984	—
92,329	**92,329**	—	**237,850**	**237,850**	—
$ 4,464	**18,784**	**$ 14,320**	**$ (159,219)**	**(38,797)**	**$ 120,422**
	14,065			(486,366)	
	$ 32,849			**$ (525,163)**	

(continued)

STATE OF OHIO

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)
(continued)

	NATURAL RESOURCES		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	$ —	$ —	$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	10,941	10,941	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	9,344	9,344	—
Licenses, Permits and Fees	12,830	12,830	—
Sales, Services and Charges	2,532	2,532	—
Federal Government	41,800	41,800	—
Other	21,071	21,071	—
TOTAL REVENUES	98,518	98,518	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	92,738	77,978	14,760
Transportation	—	—	—
General Government	2,052	1,323	729
Community and Economic Development	40,668	37,108	3,560
Local Government Support, Tax Relief and Other	—	—	—
CAPITAL OUTLAY	—	—	—
TOTAL BUDGETARY EXPENDITURES	135,458	116,409	19,049
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(36,940)	(17,891)	19,049
OTHER FINANCING SOURCES (USES):			
Operating Transfers-in	609	609	—
Operating Transfers-out	(1,188)	(1,188)	—
Encumbrance Reversions	1,635	1,635	—
TOTAL OTHER FINANCING SOURCES (USES)	1,056	1,056	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	$ (35,884)	(16,835)	$ 19,049
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		135,121	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		$ 118,286	

WILDLIFE AND WATERWAY SAFETY			REGULATORY		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
—	—	—	—	—	—
3,988	3,988	—	—	—	—
—	—	—	12,915	12,915	—
18,403	18,403	—	39,960	39,960	—
24	24	—	90	90	—
3,870	3,870	—	5,951	5,951	—
3,297	3,297	—	10,940	10,940	—
29,582	**29,582**	—	**69,856**	**69,856**	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	372	332	40
30,832	28,251	2,581	—	—	—
—	—	—	—	—	—
—	—	—	61,443	55,654	5,789
—	—	—	7,093	6,317	776
—	—	—	—	—	—
3,795	2,522	1,273	—	—	—
34,627	**30,773**	**3,854**	**68,908**	**62,303**	**6,605**
(5,045)	**(1,191)**	**3,854**	**948**	**7,553**	**6,605**
—	—	—	2,114	2,114	—
(13)	(13)	—	(9,835)	(9,835)	—
121	121	—	258	258	—
108	**108**	—	**(7,463)**	**(7,463)**	—
$ (4,937)	**(1,083)**	**$ 3,854**	**$ (6,515)**	**90**	**$ 6,605**
	19,303			21,957	
	$ 18,220			**$ 22,047**	

(continued)

STATE OF OHIO

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)
(continued)

	REVENUE DISTRIBUTION		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	$ —	$ —	$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	—	—
Motor Vehicle Fuel Taxes	502,638	502,638	—
Other Taxes	11,960	11,960	—
Licenses, Permits and Fees	296,433	296,433	—
Sales, Services and Charges	—	—	—
Federal Government	—	—	—
Other	1,600	1,600	—
TOTAL REVENUES	812,631	812,631	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	—	—	—
Transportation	—	—	—
General Government	—	—	—
Community and Economic Development	—	—	—
Local Government Support, Tax Relief and Other	1,043,531	1,043,212	319
CAPITAL OUTLAY	—	—	—
TOTAL BUDGETARY EXPENDITURES	1,043,531	1,043,212	319
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(230,900)	(230,581)	319
OTHER FINANCING SOURCES (USES):			
Operating Transfers-in	533,873	533,873	—
Operating Transfers-out	(292,680)	(292,680)	—
Encumbrance Reversions	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	241,193	241,193	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	$ 10,293	10,612	$ 319
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		37,826	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		$ 48,438	

OTHER			TOTAL SPECIAL REVENUE		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ 1,657	$ 1,657	$ —	$ 1,657	$ 1,657	$ —
9,089	9,089	—	9,089	9,089	—
542	542	—	11,483	11,483	—
4	4	—	762,400	762,400	—
613	613	—	51,090	51,090	—
1,898	1,898	—	472,930	472,930	—
6,928	6,928	—	13,885	13,885	—
16,164	16,164	—	1,925,128	1,925,128	—
20,488	20,488	—	252,124	252,124	—
57,383	57,383	—	3,499,786	3,499,786	—
—	—	—	690,967	675,031	15,936
2	1	1	14,828	13,031	1,797
—	—	—	228,166	163,736	64,430
—	—	—	789,946	737,023	52,923
35,027	29,742	5,285	216,262	195,225	21,037
—	—	—	123,682	106,339	17,343
3,916	2,369	1,547	1,166,873	1,044,904	121,969
10,503	9,171	1,332	75,647	66,815	8,832
12,559	12,353	206	315,374	265,962	49,412
—	—	—	1,043,781	1,043,212	569
—	—	—	6,781	4,097	2,684
62,007	53,636	8,371	4,672,307	4,315,375	356,932
(4,624)	3,747	8,371	(1,172,521)	(815,589)	356,932
—	—	—	1,231,432	1,231,432	—
(126)	(126)	—	(398,949)	(398,949)	—
308	308	—	90,791	90,791	—
182	182	—	923,274	923,274	—
$ (4,442)	3,929	$ 8,371	$ (249,247)	107,685	$ 356,932
	17,008			(310,210)	
	$ 20,937			$ (202,525)	

DEBT SERVICE FUNDS

The **Debt Service Funds** accounts for the accumulation of resources for the payment of general long-term debt principal and interest.

The **Economic Development Bond Service Fund** accounts for the payment of principal and interest on bonds issued to finance loans to individuals, corporations, and agencies within the State, which cannot obtain conventional financing for economic development projects that create or retain jobs in the State.

The **Ohio Turnpike Commission Bond Service Fund** accounts for the payment of principal and interest on refunding revenue bonds issued in 1984 by the Ohio Turnpike Commission to refund the remaining portion of the original 1952 bonds issued to finance the construction of the Ohio Turnpike.

The **Coal Research/Development Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds authorized by Section 15, Article VIII of the Ohio Constitution to provide financing for coal research and development projects.

The **Improvements Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds authorized by Section 2f, Article VIII of the Ohio Constitution to provide financing for the improvement of higher education facilities, public schools, and natural resources and for other purposes.

The **Highway Improvements Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds authorized by Section 2g, Article VIII of the Ohio Constitution to provide financing for the acquisition of rights-of-way and for the construction and reconstruction of the State's highways and urban extensions.

The **Development Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds authorized by Section 2h, Article VIII of the Ohio Constitution to provide financing for the construction, improvement, and development of higher education facilities, public schools, and natural resources and for other purposes.

The **Highway Obligations Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds authorized by Section 2i, Article VIII of the Ohio Constitution to provide financing for construction of the State's highways.

DEBT SERVICE FUNDS (Continued)

The **Public Improvements Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds authorized by Section 2i, Article VIII of the Ohio Constitution to provide financing for the improvement of higher education facilities, water pollution controls, parks and natural resources, and other projects.

The **Special Distribution Bond Retirement Fund** accounts for the payment of principal and interest on bonds issued to provide financing to the Depositor Assistance Corporation for acquiring financial institutions, which were in financial difficulties as a result of the Home State Savings and Loan bankruptcy in 1985, as a means to provide remuneration to depositors with assets placed in such institutions.

The **Vietnam Conflict Compensation Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds authorized by Section 2j, Article VIII of the Ohio Constitution to provide compensation to Ohioans that served in the military during the Vietnam Conflict.

The **Ohio Public Facilities Commission Fund** accounts for the payment of principal and interest on bonds issued to finance the construction of mental health, higher education, parks and recreation, and State park facilities.

The **Ohio Building Authority Fund** accounts for the payment of principal and interest on bonds issued to finance the construction of State office buildings and rehabilitation and correctional facilities.

The **Bureau of Employment Services Fund** accounts for the payment of interest on advances from the U.S. Treasury.

STATE OF OHIO
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1988
(amounts expressed in thousands)

	ECONOMIC DEVELOPMENT BOND SERVICE	OHIO TURNPIKE COMMISSION BOND SERVICE	COAL RESEARCH/ DEVELOPMENT BOND RETIREMENT
ASSETS			
Cash Equity with Treasurer	$ —	$ —	$ 5
Cash with Custodian	80	36	—
Investments	202	169	—
Receivables:			
Taxes	—	—	—
Other	—	—	—
Due from Other Funds	—	—	—
TOTAL ASSETS	$ 282	$ 205	$ 5
LIABILITIES AND FUND BALANCES			
Liabilities:			
Refund and Other Liabilities	$ 80	$ 34	$ —
Total Liabilities	80	34	—
Fund Balances:			
Reserved for:			
Debt Service	202	171	5
Other	—	—	—
Total Fund Balances	202	171	5
TOTAL LIABILITIES AND FUND BALANCES	$ 282	$ 205	$ 5

IMPROVEMENTS BOND RETIREMENT	HIGHWAY IMPROVEMENTS BOND RETIREMENT	DEVELOPMENT BOND RETIREMENT	HIGHWAY OBLIGATIONS BOND RETIREMENT	PUBLIC IMPROVEMENTS BOND RETIREMENT	SPECIAL DISTRIBUTION BOND RETIREMENT
$ 4,253	$ 11,412	$ 20	$ 93,986	$ 69	$ 7,000
428	600	520	1,939	1,304	—
—	—	—	—	—	—
1,104	—	—	24,940	—	—
24	70	—	557	—	—
17	49	—	391	—	—
$ 5,826	$ 12,131	$ 540	$ 121,813	$ 1,373	$ 7,000
$ 228	$ 350	$ 295	$ 1,689	$ 1,104	$ —
228	350	295	1,689	1,104	—
5,598	11,781	245	120,124	269	—
—	—	—	—	—	7,000
5,598	11,781	245	120,124	269	7,000
$ 5,826	$ 12,131	$ 540	$ 121,813	$ 1,373	$ 7,000

(continued)

STATE OF OHIO
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1988
(amounts expressed in thousands)
(continued)

	VIETNAM CONFLICT COMPENSATION BOND RETIREMENT	OHIO PUBLIC FACILITIES COMMISSION	OHIO BUILDING AUTHORITY
ASSETS			
Cash Equity with Treasurer	$ 147	$ —	$ —
Cash with Custodian	609	1,341	—
Investments	—	272,861	—
Receivables:			
Taxes	—	—	—
Other	1	3,282	—
Due from Other Funds	1	—	133,618
TOTAL ASSETS	$ 758	$ 277,484	$ 133,618
LIABILITIES AND FUND BALANCES			
Liabilities:			
Refund and Other Liabilities	$ 359	$ 1,147	$ —
Total Liabilities	359	1,147	—
Fund Balances:			
Reserved for:			
Debt Service	399	276,337	133,618
Other	—	—	—
Total Fund Balances	399	276,337	133,618
TOTAL LIABILITIES AND FUND BALANCES	$ 758	$ 277,484	$ 133,618

	TOTAL
$	116,892
	6,857
	273,232
	26,044
	3,934
	134,076
$	**561,035**
$	5,286
	5,286
	548,749
	7,000
	555,749
$	**561,035**

STATE OF OHIO

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)

	ECONOMIC DEVELOPMENT BOND SERVICE	OHIO TURNPIKE COMMISSION BOND SERVICE	COAL RESEARCH/ DEVELOPMENT BOND RETIREMENT
REVENUES:			
Motor Vehicle Fuel Taxes	$ —	$ —	$ —
Other Taxes	—	—	—
Licenses, Permits and Fees	—	—	—
Federal Government	—	—	—
Other	207	12	9
TOTAL REVENUES	207	12	9
EXPENDITURES:			
DEBT SERVICE	18,092	409	6,709
TOTAL EXPENDITURES	18,092	409	6,709
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(17,885)	(397)	(6,700)
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Refunding Bond Proceeds	—	—	—
Payment to Refunded Bond Escrow Agents	—	—	—
Operating Transfers-in	17,934	397	6,701
TOTAL OTHER FINANCING SOURCES (USES)	17,934	397	6,701
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	49	—	1
FUND BALANCES, JULY 1	153	171	4
FUND BALANCES, JUNE 30	$ 202	$ 171	$ 5

IMPROVEMENTS BOND RETIREMENT	HIGHWAY IMPROVEMENTS BOND RETIREMENT	DEVELOPMENT BOND RETIREMENT	HIGHWAY OBLIGATIONS BOND RETIREMENT	PUBLIC IMPROVEMENTS BOND RETIREMENT	SPECIAL DISTRIBUTION BOND RETIREMENT
$ —	$ 4,678	$ —	$ 43,273	$ —	$ —
13,618	1,964	—	47,848	—	—
—	44	—	289	—	—
—	—	—	—	—	—
235	817	37	6,763	54	65,140
13,853	**7,503**	**37**	**98,173**	**54**	**65,140**
18,310	8,844	18,981	98,409	18,699	73,130
18,310	**8,844**	**18,981**	**98,409**	**18,699**	**73,130**
(4,457)	**(1,341)**	**(18,944)**	**(236)**	**(18,645)**	**(7,990)**
—	—	—	659	—	—
—	—	—	—	—	—
—	—	—	—	—	—
4,588	—	18,944	—	18,653	13,000
4,588	**—**	**18,944**	**659**	**18,653**	**13,000**
131	**(1,341)**	**—**	**423**	**8**	**5,010**
5,467	13,122	245	119,701	261	1,990
$ 5,598	**$ 11,781**	**$ 245**	**$ 120,124**	**$ 269**	**$ 7,000**

(continued)

STATE OF OHIO

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)
(continued)

	VIETNAM CONFLICT COMPENSATION BOND RETIREMENT	OHIO PUBLIC FACILITIES COMMISSION	OHIO BUILDING AUTHORITY
REVENUES:			
Motor Vehicle Fuel Taxes	$ —	$ —	$ —
Other Taxes	—	—	—
Licenses, Permits and Fees	—	—	—
Federal Government	—	448	—
Other	52	15,726	—
TOTAL REVENUES	52	16,174	—
EXPENDITURES:			
DEBT SERVICE	22,346	253,671	43,407
TOTAL EXPENDITURES	22,346	253,671	43,407
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(22,294)	(237,497)	(43,407)
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Refunding Bond Proceeds	—	199,521	—
Payment to Refunded Bond Escrow Agents	—	(199,521)	—
Operating Transfers-in	22,358	258,272	79,810
TOTAL OTHER FINANCING SOURCES (USES)	22,358	258,272	79,810
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	64	20,775	36,403
FUND BALANCES, JULY1	335	255,562	97,215
FUND BALANCES, JUNE 30	$ 399	$ 276,337	$ 133,618

BUREAU OF EMPLOYMENT SERVICES	TOTAL
$ —	$ 47,951
—	63,430
—	333
—	448
—	89,052
—	**201,214**
48,608	629,615
48,608	**629,615**
(48,608)	**(428,401)**
—	659
—	199,521
—	(199,521)
48,608	489,265
48,608	**489,924**
—	**61,523**
—	494,226
$ —	$ **555,749**

STATE OF OHIO

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 1988
(amounts expressed in thousands)

	COAL RESEARCH / DEVELOPMENT BOND RETIREMENT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Motor Vehicle Fuel Taxes	$ —	$ —	$ —
Other Taxes	—	—	—
Licenses, Permits and Fees	—	—	—
Other	6,711	6,711	—
TOTAL REVENUES	6,711	6,711	—
BUDGETARY EXPENDITURES:			
DEBT SERVICE	6,709	6,709	—
TOTAL BUDGETARY EXPENDITURES	6,709	6,709	—
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	2	2	—
OTHER FINANCING SOURCES:			
Bond Proceeds	—	—	—
TOTAL OTHER FINANCING SOURCES	—	—	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES	$ 2	2	$ —
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JULY 1		3	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JUNE 30		$ 5	

IMPROVEMENTS BOND RETIREMENT			HIGHWAY IMPROVEMENTS BOND RETIREMENT		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ —	$ —	$ —	$ 4,678	$ 4,678	$ —
13,472	13,472	—	1,964	1,964	—
—	—	—	44	44	—
4,825	4,825	—	863	863	—
18,297	18,297	—	7,549	7,549	—
18,310	18,310	—	8,844	8,844	—
18,310	18,310	—	8,844	8,844	—
(13)	(13)	—	(1,295)	(1,295)	—
—	—	—	—	—	—
—	—	—	—	—	—
$ (13)	(13)	$ —	$ (1,295)	(1,295)	$ —
	4,266			12,706	
	$ 4,253			$ 11,411	

(continued)

STATE OF OHIO

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)

(continued)

	DEVELOPMENT BOND RETIREMENT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Motor Vehicle Fuel Taxes	$ —	$ —	$ —
Other Taxes	—	—	—
Licenses, Permits and Fees	—	—	—
Other	18,988	18,988	—
TOTAL REVENUES	18,988	18,988	—
BUDGETARY EXPENDITURES:			
DEBT SERVICE	18,981	18,981	—
TOTAL BUDGETARY EXPENDITURES	18,981	18,981	—
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	7	7	—
OTHER FINANCING SOURCES:			
Bond Proceeds	—	—	—
TOTAL OTHER FINANCING SOURCES	—	—	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES	$ 7	7	$ —
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JULY 1		12	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JUNE 30		$ 19	

HIGHWAY OBLIGATIONS BOND RETIREMENT			PUBLIC IMPROVEMENTS BOND RETIREMENT		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ 44,287	$ 44,287	$ —	$ —	$ —	$ —
46,558	46,558	—	—	—	—
289	289	—	—	—	—
7,158	7,158	—	18,713	18,713	—
98,292	98,292	—	18,713	18,713	—
101,513	98,409	3,104	18,699	18,699	—
101,513	98,409	3,104	18,699	18,699	—
(3,221)	(117)	3,104	14	14	—
660	660	—	—	—	—
660	660	—	—	—	—
$ (2,561)	543	$ 3,104	$ 14	14	$ —
	93,444			56	
	$ 93,987			$ 70	

(continued)

STATE OF OHIO

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)
(continued)

	VIETNAM CONFLICT COMPENSATION BOND RETIREMENT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Motor Vehicle Fuel Taxes	$ —	$ —	$ —
Other Taxes	—	—	—
Licenses, Permits and Fees	—	—	—
Other	22,415	22,415	—
TOTAL REVENUES	22,415	22,415	—
BUDGETARY EXPENDITURES:			
DEBT SERVICE	22,346	22,346	—
TOTAL BUDGETARY EXPENDITURES	22,346	22,346	—
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	69	69	—
OTHER FINANCING SOURCES:			
Bond Proceeds	—	—	—
TOTAL OTHER FINANCING SOURCES	—	—	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES	$ 69	69	$ —
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JULY 1		77	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JUNE 30		$ 146	

TOTAL DEBT SERVICE

BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ 48,965	$ 48,965	$ —
61,994	61,994	—
333	333	—
79,673	79,673	—
190,965	**190,965**	**—**
195,402	192,298	3,104
195,402	**192,298**	**3,104**
(4,437)	**(1,333)**	**3,104**
660	660	—
660	**660**	**—**
$ (3,777)	**(673)**	**$ 3,104**
	110,564	
	$ 109,891	

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CAPITAL PROJECTS FUNDS

The **Capital Projects Funds** account for the acquisition and construction of major capital facilities and for major repairs and replacements other than those financed by proprietary funds and trust funds.

The **Ohio Turnpike Commission Fund** accounts for bond proceeds that finance capital outlay and major repairs and replacements for the Ohio Turnpike.

The **Higher Education Improvements Fund** accounts for bond proceeds that finance the construction of facilities for State-assisted higher education institutions.

The **Highway Obligations Construction Fund** accounts for bond proceeds that finance capital outlay and major repairs and replacements for the State's highways.

The **Mental Health/Mental Retardation Facilities Improvements Fund** accounts for bond proceeds that finance the construction of mental health/mental retardation facilities.

The **Public Improvements Fund** accounts for bond proceeds that finance the capital improvement of higher education facilities, water pollution controls, parks and natural resources, and other projects.

The **Parks and Recreation Improvements Fund** accounts for bond proceeds that finance the capital improvement of park and recreation facilities.

The **Ohio Building Authority Fund** accounts for bond proceeds that finance the construction of State office buildings and rehabilitation and correctional facilities.

STATE OF OHIO
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1988
(amounts expressed in thousands)

	OHIO TURNPIKE COMMISSION	HIGHER EDUCATION IMPROVEMENTS	HIGHWAY OBLIGATIONS CONSTRUCTION
ASSETS			
Cash Equity with Treasurer	$ —	$ 58,983	$ 104,246
Cash with Custodian	4,781	—	—
Investments	22,268	—	—
Receivables:			
Other	302	397	366
Due from Other Funds	—	279	257
TOTAL ASSETS	$ 27,351	$ 59,659	$ 104,869
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ —	$ —	$ —
Accrued Liabilities	6	15,159	6,039
Due to Other Funds	—	—	1
Refund and Other Liabilities	4,429	—	—
Total Liabilities	4,435	15,159	6,040
Fund Balances:			
Reserved for:			
Encumbrances	—	126,360	78,083
Other	22,916	—	—
Unreserved/Undesignated (deficits)	—	(81,860)	20,746
Total Fund Balances	22,916	44,500	98,829
TOTAL LIABILITIES AND FUND BALANCES	$ 27,351	$ 59,659	$ 104,869

MENTAL HEALTH/ MENTAL RETARDATION FACILITIES IMPROVEMENTS	PUBLIC IMPROVEMENTS	PARKS AND RECREATION IMPROVEMENTS	OHIO BUILDING AUTHORITY	TOTAL
$ 16,467	$ 385	$ 4,865	$ —	$ 184,946
—	—	—	—	4,781
—	—	—	—	22,268
223	—	—	—	1,288
157	—	—	6,495	7,188
$ 16,847	**$ 385**	**$ 4,865**	**$ 6,495**	**$ 220,471**
$ 3,017	$ —	$ —	$ —	$ 3,017
—	—	—	—	21,204
—	—	—	—	1
—	—	—	—	4,429
3,017	—	—	—	28,651
41,404	209	4,205	—	250,261
—	—	—	6,495	29,411
(27,574)	176	660	—	(87,852)
13,830	385	4,865	6,495	191,820
$ 16,847	**$ 385**	**$ 4,865**	**$ 6,495**	**$ 220,471**

STATE OF OHIO

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)

	OHIO TURNPIKE COMMISSION	HIGHER EDUCATION IMPROVEMENTS	HIGHWAY OBLIGATIONS CONSTRUCTION
REVENUES:			
Other	$ 1,929	$ 5,949	$ 1,988
TOTAL REVENUES	1,929	5,949	1,988
EXPENDITURES:			
CURRENT:			
Transportation	37,228	—	—
CAPITAL OUTLAY	18,749	168,986	78,226
TOTAL EXPENDITURES	55,977	168,986	78,226
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(54,048)	(163,037)	(76,238)
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	118,200	170,001
Operating Transfers-in	44,682	10,000	—
Operating Transfers-out	—	(10,000)	—
TOTAL OTHER FINANCING SOURCES (USES)	44,682	118,200	170,001
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(9,366)	(44,837)	93,763
FUND BALANCES, JULY 1	32,282	89,337	5,066
FUND BALANCES, JUNE 30	$ 22,916	$ 44,500	$ 98,829

MENTAL HEALTH/ MENTAL RETARDATION FACILITIES IMPROVEMENTS	PUBLIC IMPROVEMENTS	PARKS AND RECREATION IMPROVEMENTS	OHIO BUILDING AUTHORITY	TOTAL
$ 3,682	$ —	$ —	$ —	$ 13,548
3,682	—	—	—	13,548
—	—	—	—	37,228
24,190	916	5,218	224,683	520,968
24,190	916	5,218	224,683	558,196
(20,508)	(916)	(5,218)	(224,683)	(544,648)
23,971	—	—	120,711	432,883
—	—	—	110,467	165,149
—	—	—	—	(10,000)
23,971	—	—	231,178	588,032
3,463	(916)	(5,218)	6,495	43,384
10,367	1,301	10,083	—	148,436
$ 13,830	$ 385	$ 4,865	$ 6,495	$ 191,820

STATE OF OHIO

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)

	HIGHER EDUCATION IMPROVEMENTS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Other	$ 5,531	$ 5,531	$ —
TOTAL REVENUES	5,531	5,531	—
BUDGETARY EXPENDITURES:			
CAPITAL OUTLAY	482,292	178,799	303,493
TOTAL BUDGETARY EXPENDITURES	482,292	178,799	303,493
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(476,761)	(173,268)	303,493
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	118,200	118,200	—
Operating Transfers-in	17,320	17,320	—
Operating Transfers-out	(17,320)	(17,320)	—
Encumbrance Reversions	2,004	2,004	—
TOTAL OTHER FINANCING SOURCES (USES)	120,204	120,204	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	$ (356,557)	(53,064)	$ 303,493
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		(29,420)	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		$ (82,484)	

HIGHWAY OBLIGATIONS CONSTRUCTION			MENTAL HEALTH / MENTAL RETARDATION FACILITIES IMPROVEMENTS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ 2,027	$ 2,027	$ —	$ 3,302	$ 3,302	$ —
2,027	2,027	—	3,302	3,302	—
107,321	49,624	57,697	105,234	39,013	66,221
107,321	49,624	57,697	105,234	39,013	66,221
(105,294)	(47,597)	57,697	(101,932)	(35,711)	66,221
170,001	170,001	—	23,971	23,971	—
—	—	—	13,541	13,541	—
—	—	—	(13,541)	(13,541)	—
30,150	30,150	—	759	759	—
200,151	200,151	—	24,730	24,730	—
$ 94,857	152,554	$ 57,697	$ (77,202)	(10,981)	$ 66,221
	(132,357)			(16,838)	
	$ 20,197			$ (27,819)	

STATE OF OHIO
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)
(continued)

	PUBLIC IMPROVEMENTS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Other	$ —	$ —	$ —
TOTAL REVENUES	—	—	—
BUDGETARY EXPENDITURES:			
CAPITAL OUTLAY	175	1	174
TOTAL BUDGETARY EXPENDITURES	175	1	174
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(175)	(1)	174
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	—	—	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	5	5	—
TOTAL OTHER FINANCING SOURCES (USES)	5	5	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	$ (170)	4	$ 174
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		173	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		$ 177	

PARKS AND RECREATION IMPROVEMENTS			TOTAL CAPITAL PROJECTS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ —	$ —	$ —	$ 10,860	$ 10,860	$ —
—	—	—	10,860	10,860	—
12,818	8,320	4,498	707,840	275,757	432,083
12,818	8,320	4,498	707,840	275,757	432,083
(12,818)	(8,320)	4,498	(696,980)	(264,897)	432,083
—	—	—	312,172	312,172	—
—	—	—	30,861	30,861	—
—	—	—	(30,861)	(30,861)	—
43	43	—	32,961	32,961	—
43	43	—	345,133	345,133	—
$ (12,775)	(8,277)	$ 4,498	$ (351,847)	80,236	$ 432,083
	8,937			(169,505)	
	$ 660			$ (89,269)	

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ENTERPRISE FUNDS

The **Enterprise Funds** account for operations that are financed and operated in a manner similar to private business enterprises -- where the State's intent is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the State has decided that periodic determination of net income is appropriate for accountability purposes.

The **State Parking Commission Fund** accounts for the operations of the State Parking Commission.

The **Liquor Control Fund** accounts for the operations of the Department of Liquor Control.

The **Ohio Lottery Commission Fund** accounts for the operations of the State Lottery.

The **Workers' Compensation Fund** accounts for the operations of the Bureau of Workers' Compensation.

STATE OF OHIO
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1988
(amounts expressed in thousands)

	STATE PARKING COMMISSION	LIQUOR CONTROL	OHIO LOTTERY COMMISSION
ASSETS			
Current Assets:			
Cash Equity with Treasurer	$ —	$ 1,227	$ 13,077
Cash with Custodian	164	3,602	2,194
Investments	4,237	—	12,696
Receivables:			
Premiums and Assessments	—	—	—
Other	82	—	38,198
Due from Other Funds	—	5	1,746
Inventories	—	22,058	—
Other Assets	—	431	523
Total Current Assets	4,483	27,323	68,434
Restricted Assets:			
Cash Equity with Treasurer	—	—	386,957
Dedicated Investments	—	—	174,362
Other	—	—	4,482
Total Restricted Assets	—	—	565,801
Noncurrent Assets:			
Investments	—	—	—
Total Noncurrent Assets	—	—	—
Fixed Assets:			
Fixed Assets	7,289	10,499	29,858
Less Accumulated Depreciation	(3,668)	(6,405)	(13,098)
Total Fixed Assets	3,621	4,094	16,760
TOTAL ASSETS	$ 8,104	$ 31,417	$ 650,995
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Accounts Payable	$ 19	$ 10,594	$ 5,369
Accrued Liabilities	106	1,574	881
Due to Other Funds	—	119	2,131
Deferred Revenues	—	10	1,380
Refund and Other Liabilities	51	2,921	32,826
Total Current Liabilities	176	15,218	42,587
Liabilities Payable from Restricted Assets:			
Other	—	—	161
Deferred Prize Awards Payable	—	—	536,007
Total Liabilities Payable from Restricted Assets	—	—	536,168
Long-Term Liabilities:			
Workers' Compensation Benefits Payable	—	—	—
Revenue Bonds Payable	1,374	—	—
Total Long-Term Liabilities	1,374	—	—
Total Liabilities	1,550	15,218	578,755
Fund Equity:			
Net Unrealized Gains on Investments	—	—	—
Retained Earnings:			
Reserved	—	—	11,619
Unreserved	6,554	16,199	60,621
Total Fund Equity	6,554	16,199	72,240
TOTAL LIABILITIES AND FUND EQUITY	$ 8,104	$ 31,417	$ 650,995

WORKERS' COMPENSATION	TOTAL
$ 9,186	$ 23,490
10,755	16,715
533,149	550,082
1,162,502	1,162,502
51,835	90,115
—	1,751
—	22,058
85,793	86,747
1,853,220	1,953,460
—	386,957
—	174,362
—	4,482
—	565,801
4,881,288	4,881,288
4,881,288	4,881,288
20,142	67,788
(10,797)	(33,968)
9,345	33,820
$ 6,743,853	**$ 7,434,369**
$ 3,380	$ 19,362
6,637	9,198
—	2,250
21,368	22,758
373,600	409,398
404,985	462,966
—	161
—	536,007
—	536,168
8,610,148	8,610,148
—	1,374
8,610,148	8,611,522
9,015,133	9,610,656
553,678	553,678
122,157	133,776
(2,947,115)	(2,863,741)
(2,271,280)	(2,176,287)
$ 6,743,853	**$ 7,434,369**

STATE OF OHIO

ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)

	STATE PARKING COMMISSION	LIQUOR CONTROL	OHIO LOTTERY COMMISSION
OPERATING REVENUES:			
Charges for Sales and Services	$ 1,872	$ 349,759	$ 1,375,752
Premium and Assessment Income	—	—	—
Investment Income	—	—	32,361
Other	—	617	2,943
TOTAL OPERATING REVENUES	1,872	350,376	1,411,056
OPERATING EXPENSES:			
Costs of Sales and Services	700	220,504	—
Administration	188	59,711	140,870
Prizes and Claims	—	—	682,805
Benefit Payments and Refunds	—	—	—
Depreciation	186	933	5,552
Other	—	—	35,960
TOTAL OPERATING EXPENSES	1,074	281,148	865,187
OPERATING INCOME	798	69,228	545,869
NONOPERATING REVENUES (EXPENSES):			
Investment Income	229	—	—
Interest Expense	(61)	—	(279)
Other	3	(165)	—
TOTAL NONOPERATING REVENUES (EXPENSES)	171	(165)	(279)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	969	69,063	545,590
OPERATING TRANSFERS:			
Operating Transfers-out	—	(67,935)	(506,973)
NET INCOME (LOSS)	969	1,128	38,617
RETAINED EARNINGS (DEFICITS), JULY 1	5,585	15,071	33,623
RETAINED EARNINGS (DEFICITS), JUNE 30	$ 6,554	$ 16,199	$ 72,240

WORKERS' COMPENSATION	TOTAL
$ —	$ 1,727,383
1,192,491	1,192,491
—	32,361
1,068	4,628
1,193,559	2,956,863
—	221,204
7,194	207,963
—	682,805
1,592,145	1,592,145
2,953	9,624
166,318	202,278
1,768,610	2,916,019
(575,051)	40,844
557,490	557,719
(1,786)	(2,126)
800	638
556,504	556,231
(18,547)	597,075
—	(574,908)
(18,547)	22,167
(2,806,411)	(2,752,132)
$ (2,824,958)	$ (2,729,965)

STATE OF OHIO

ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)

	STATE PARKING COMMISSION	LIQUOR CONTROL	OHIO LOTTERY COMMISSION
OPERATING ACTIVITIES:			
Net Income (Loss)	$ 969	$ 1,128	$ 38,617
Add (Deduct) Items Not Affecting Cash:			
Increase in Other Receivables	(21)	—	(29,232)
Increase in Due from Other Funds	—	(3)	(1,746)
Decrease in Inventory	—	2,373	—
Decrease (Increase) in Other Current Assets	—	3	(52)
Increase in Premiums and Assessments Receivable	—	—	—
Decrease in Other Restricted Assets	—	—	3,000
Increase (Decrease) in Accounts Payable	1	727	(185)
Increase in Workers' Compensation Benefits Payable	—	—	—
Increase (Decrease) in Accrued Liabilities	—	(2,781)	180
Decrease in Due to Other Funds	—	(511)	(1,764)
Increase (Decrease) in Deferred Revenues	—	8	(821)
Increase (Decrease) in Refund and Other Liabilities	22	(76)	(5,550)
Increase in Deferred Prize Awards Payable	—	—	166,257
Depreciation	186	933	5,552
Provision for Uncollectible Accounts	—	—	—
Amortization of Bond Premium	—	—	—
Other, Net	25	—	—
Loss on Sale of Fixed Assets	—	136	—
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	1,182	1,937	174,256
INVESTING ACTIVITIES:			
Purchase of Current Investments	(1,081)	—	(3,622)
Purchase of Noncurrent Investments	—	—	—
Purchase of Fixed Assets	(27)	(2,729)	(3,261)
Purchase of Restricted Investments	—	—	(97,717)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(1,108)	(2,729)	(104,600)
FINANCING ACTIVITIES:			
Issuance of Revenue Bonds	4	—	—
Reduction of Other Payables	—	—	(59)
NET CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES	4	—	(59)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	78	(792)	69,597
CASH AND CASH EQUIVALENTS, JULY 1	86	5,621	332,631
CASH AND CASH EQUIVALENTS, JUNE 30	$ 164	$ 4,829	$ 402,228

WORKERS' COMPENSATION	TOTAL
$ (18,547)	$ 22,167
(18,264)	(47,517)
—	(1,749)
—	2,373
1,791	1,742
(162,753)	(162,753)
—	3,000
(8,597)	(8,054)
485,639	485,639
(1,661)	(4,262)
—	(2,275)
21,328	20,515
38,961	33,357
—	166,257
2,953	9,624
20,635	20,635
4,797	4,797
1,478	1,503
—	136
367,760	**545,135**
(63,418)	(68,121)
(299,264)	(299,264)
(4,507)	(10,524)
—	(97,717)
(367,189)	**(475,626)**
—	4
—	(59)
—	**(55)**
571	**69,454**
19,370	357,708
$ 19,941	**$ 427,162**

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INTERNAL SERVICE FUNDS

The **Internal Service Funds** account for the financing of goods or services provided by a State department or agency to other agencies and to other government units, on a cost-reimbursement basis.

The **Ohio Building Authority Fund** accounts for the revenues and operating expenses of State office buildings and other government buildings owned by the Ohio Building Authority.

The **Ohio Data Network Fund** accounts for the revenues and expenses associated with electronic data processing goods and services provided to user State agencies and to local government units.

The **Ohio Penal Industries Fund** accounts for revenues and expenses associated with the purchase of raw materials and labor costs that are incurred in the production of manufactured goods and agricultural commodities sold to user State agencies.

The **Support Services Fund** accounts for revenues and expenses associated with the purchase of food, medical, and other institutional supplies and the costs of services provided to user State agencies.

The **Telecommunications Fund** accounts for the revenues and expenses related to telecommunications services provided to State agencies and to local government.

STATE OF OHIO
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1988
(amounts expressed in thousands)

	OHIO BUILDING AUTHORITY	OHIO DATA NETWORK	OHIO PENAL INDUSTRIES
ASSETS			
Current Assets:			
Cash Equity with Treasurer	$ —	$ 13,476	$ 7,767
Cash with Custodian	1,480	—	6
Investments	2,269	—	—
Receivables:			
Intergovernmental	—	403	306
Other	4,409	—	360
Due from Other Funds	—	16,452	6,077
Advance to Other Funds	—	1,802	—
Inventories	—	242	6,539
Other Assets	22	324	—
Total Current Assets	8,180	32,699	21,055
Restricted Assets:			
Cash and Investments	351,820	48,836	—
Other	—	12,196	—
Total Restricted Assets	351,820	61,032	—
Noncurrent Assets:			
Other Assets	59,466	—	—
Total Noncurrent Assets	59,466	—	—
Fixed Assets:			
Fixed Assets	—	—	—
Less Accumulated Depreciation	—	—	—
Total Fixed Assets	—	—	—
TOTAL ASSETS	$ 419,466	$ 93,731	$ 21,055
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Accounts Payable	$ —	$ 5,781	$ 2,507
Accrued Liabilities	28,727	1,238	1,408
Due to Other Funds	140,113	255	792
Deferred Revenues	8,000	—	3,710
Refund and Other Liabilities	3,299	3,007	—
Total Current Liabilities	180,139	10,281	8,417
Liabilities Payable from Restricted Assets:			
Lease Obligations and Other	—	66,337	—
Total Liabilities Payable from Restricted Assets	—	66,337	—
Long-Term Liabilities:			
Advance From Other Funds	—	—	—
Long-Term Accrued Liabilities	—	—	—
Revenue Bonds Payable	54,393	—	—
Total Long-Term Liabilities	54,393	—	—
Total Liabilities	234,532	76,618	8,417
Fund Equity:			
Contributed Capital	—	—	—
Retained Earnings:			
Reserved	184,934	—	—
Unreserved	—	17,113	12,638
Total Fund Equity	184,934	17,113	12,638
TOTAL LIABILITIES AND FUND EQUITY	$ 419,466	$ 93,731	$ 21,055

SUPPORT SERVICES	TELE-COMMUNICATIONS	TOTAL
$ 2,589	$ 1,852	$ 25,684
—	—	1,486
—	—	2,269
189	342	1,240
14	26	4,809
4,713	5,025	32,267
—	—	1,802
5,779	—	12,560
—	—	346
13,284	7,245	82,463
—	12,979	413,635
—	1,198	13,394
—	14,177	427,029
—	—	59,466
—	—	59,466
4,365	193	4,558
(1,949)	—	(1,949)
2,416	193	2,609
$ 15,700	**$ 21,615**	**$ 571,567**
$ 1,598	$ 1,725	$ 11,611
557	533	32,463
41	697	141,898
653	—	12,363
—	—	6,306
2,849	2,955	204,641
—	29,933	96,270
—	29,933	96,270
—	1,185	1,185
—	573	573
—	—	54,393
—	1,758	56,151
2,849	34,646	357,062
338	—	338
369	—	185,303
12,144	(13,031)	28,864
12,851	(13,031)	214,505
$ 15,700	**$ 21,615**	**$ 571,567**

STATE OF OHIO

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)

	OHIO BUILDING AUTHORITY	OHIO DATA NETWORK	OHIO PENAL INDUSTRIES
OPERATING REVENUES:			
Charges for Sales and Services	$ 24,098	$ 70,393	$ 5,855
Other	584	3,328	8,137
TOTAL OPERATING REVENUES	**24,682**	**73,721**	**13,992**
OPERATING EXPENSES:			
Costs of Sales and Services	10,971	36,059	11,259
Administration	951	19,888	11,768
Depreciation	—	—	—
Other	—	9,527	45
TOTAL OPERATING EXPENSES	**11,922**	**65,474**	**23,072**
OPERATING INCOME	**12,760**	**8,247**	**(9,080)**
NONOPERATING REVENUES (EXPENSES):			
Investment Income	8,049	3,800	—
Interest Expense	(5,299)	(4,644)	—
Other	—	(57)	—
TOTAL NONOPERATING REVENUES (EXPENSES)	**2,750**	**(901)**	**—**
INCOME (LOSS) BEFORE OPERATING TRANSFERS	**15,510**	**7,346**	**(9,080)**
OPERATING TRANSFERS:			
Operating Transfers-out	(110,467)	—	—
NET INCOME (LOSS)	**(94,957)**	**7,346**	**(9,080)**
RETAINED EARNINGS (DEFICITS), JULY 1	279,891	9,767	21,718
RETAINED EARNINGS (DEFICITS), JUNE 30	$ 184,934	$ 17,113	$ 12,638

SUPPORT SERVICES	TELE-COMMUNICATIONS	TOTAL
$ 37,020	$ 25,259	$ 162,625
624	2,105	14,778
37,644	**27,364**	**177,403**
26,937	18,096	103,322
8,619	3,849	45,075
477	—	477
141	400	10,113
36,174	**22,345**	**158,987**
1,470	**5,019**	**18,416**
—	1,136	12,985
—	(2,494)	(12,437)
(1)	(49)	(107)
(1)	**(1,407)**	**441**
1,469	**3,612**	**18,857**
—	—	(110,467)
1,469	**3,612**	**(91,610)**
11,044	(16,643)	305,777
$ 12,513	**$ (13,031)**	**$ 214,167**

STATE OF OHIO

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)

	OHIO BUILDING AUTHORITY	OHIO DATA NETWORK	OHIO PENAL INDUSTRIES
OPERATING ACTIVITIES:			
Net Income (Loss)	$ (94,957)	$ 7,346	$ (9,080)
Add (Deduct) Items Not Affecting Cash:			
Decrease (Increase) in Other Receivables	(988)	22	336
Decrease (Increase) in Intergovernmental Receivables	—	212	(306)
Decrease (Increase) in Due from Other Funds	—	6,373	8,174
Increase in Inventory	—	(63)	(1,248)
Decrease (Increase) in Other Current Assets	15	(274)	—
Increase in Other Restricted Assets	—	(8,907)	—
Decrease in Other Noncurrent Assets	241	—	—
Decrease in Accounts Payable	—	(3,865)	(1,571)
Increase (Decrease) in Accrued Liabilities	(2,922)	261	387
Increase (Decrease) in Due to Other Funds	43,825	(106)	510
Increase (Decrease) in Deferred Revenues	8,000	—	687
Increase in Refund and Other Liabilities	583	1,200	—
Increase in Contributed Capital	—	—	—
Depreciation	—	—	—
NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	**(46,203)**	**2,199**	**(2,111)**
INVESTING ACTIVITIES:			
Purchase of Current Investments	(2,054)	—	—
Purchasp of Fixed Assets	—	—	—
Sale of Restricted Investments	50,668	8,656	—
NET CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES	**48,614**	**8,656**	**—**
FINANCING ACTIVITIES:			
Retirement of Revenue Bonds	(1,495)	—	—
Reduction of Lease Obligations and Other Payables	—	(5,957)	—
Decrease in Advances from Other Funds	—	—	—
Decrease in Advances to Other Funds	—	361	—
NET CASH FLOWS USED IN FINANCING ACTIVITIES	**(1,495)**	**(5,596)**	**—**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**916**	**5,259**	**(2,111)**
CASH AND CASH EQUIVALENTS, JULY 1	6,739	8,228	9,884
CASH AND CASH EQUIVALENTS, JUNE 30	**$ 7,655**	**$ 13,487**	**$ 7,773**

SUPPORT SERVICES	TELE-COMMUNICATIONS	TOTAL
$ 1,469	$ 3,612	$ (91,610)
5	61	(564)
129	(280)	(245)
(3,745)	2,381	13,183
(392)	—	(1,703)
—	—	(259)
—	(155)	(9,062)
—	—	241
(320)	(5,358)	(11,114)
106	(123)	(2,291)
(13)	(911)	43,305
(337)	—	8,350
—	—	1,783
317	—	317
477	—	477
(2,304)	**(773)**	**(49,192)**
—	—	(2,054)
(480)	(193)	(673)
—	834	60,158
(480)	**641**	**57,431**
—	—	(1,495)
—	(1,506)	(7,463)
—	(542)	(542)
—	—	361
—	**(2,048)**	**(9,139)**
(2,784)	**(2,180)**	**(900)**
5,373	4,032	34,256
$ 2,589	**$ 1,852**	**$ 33,356**

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TRUST AND AGENCY FUNDS

Trust Funds account for assets held by the State in a trustee capacity. **Agency Funds** account for assets held by the State as an agent for individuals, private organizations, other governments, and/or other funds.

Expendable Trust

The **Employment Services Fund** accounts for unemployment insurance benefit claims.

Pension Trust

The **State Highway Patrol Fund** accounts for the accumulation of resources for pension benefit payments to qualified employees of the State Highway Patrol who participate in the State Highway Patrol Retirement System, a component unit of the State.

Agency

The **Holding and Distribution Fund** accounts for assets held until such time that a determination has been made to refund amounts to the original owners or to distribute amounts to other State funds.

The **Payroll Withholding and Fringe Benefits Fund** accounts for assets held to liquidate the State's payroll withholding obligations.

The **Tax Refunds Fund** accounts for assets held to liquidate the State's tax refund obligations.

The **Unclaimed Funds Fund** accounts for assets held for owners of unclaimed intangible property. Unclaimed property is that property in which the owner has not taken some action to indicate ownership interest over a certain period of time specified under Chapter 169, Revised Code.

The **STAROhio Fund** accounts for assets held for local government units that participate in the State Treasury Asset Reserve of Ohio (STAROhio), a pooled investment fund managed by the Treasurer of State.

The **Deferred Compensation Fund** accounts for assets held for employees in accordance with the provisions of Internal Revenue Code Section 457.

The **Other Fund** accounts for assets held for others, which are not accounted for in another agency fund.

STATE OF OHIO

TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1988

(amounts expressed in thousands)

	EXPENDABLE TRUST	PENSION TRUST	AGENCY
	EMPLOYMENT SERVICES	STATE HIGHWAY PATROL	HOLDING & DISTRIBUTION
ASSETS			
Cash Equity with Treasurer	$ —	$ —	$ 28,548
Cash with Custodian	—	61	7,210
Deposit with Federal Government	303,850	—	—
Security Deposits	3,646	—	—
Investments	—	146,762	—
Receivables:			
Employer Contributions	200,465	—	—
Other	3,535	3,114	—
Due from Other Funds	11	1,040	—
Deposit with Deferred Compensation Plan	—	—	—
Other Assets	—	41	—
TOTAL ASSETS	$ 511,507	$ 151,018	$ 35,758
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Liabilities	$ —	$ —	$ —
Due to Other Funds	—	—	32,319
Refund and Other Liabilities	28,952	191	3,439
Liability for Deferred Compensation	—	—	—
Total Liabilities	28,952	191	35,758
Fund Balances:			
Reserved for:			
Pension Benefits	—	150,827	—
Unreserved/Undesignated	482,555	—	—
Total Fund Balances	482,555	150,827	—
TOTAL LIABILITIES AND FUND BALANCES	$ 511,507	$ 151,018	$ 35,758

PAYROLL WITHHOLDING & FRINGE BENEFITS	TAX REFUNDS	UNCLAIMED FUNDS	STAR OHIO	DEFERRED COMPENSATION	OTHER
$ 149,965	$ 6,005	$ —	$ —	$ —	$ 7,018
232	—	19,055	—	—	11,969
—	—	—	—	—	—
—	—	—	—	—	248,797
—	—	46,951	865,581	—	3,356
—	—	—	—	—	—
436	—	40,833	—	—	4
306	—	—	—	1,224	3
—	—	—	—	175,811	—
—	—	—	—	—	—
$ 150,939	**$ 6,005**	**$ 106,839**	**$ 865,581**	**$ 177,035**	**$ 271,147**
$ 8,147	$ —	$ —	$ 865,581	$ —	$ 6,705
10,962	—	—	—	—	—
131,830	6,005	106,839	—	—	264,442
—	—	—	—	177,035	—
150,939	6,005	106,839	865,581	177,035	271,147
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
$ 150,939	**$ 6,005**	**$ 106,839**	**$ 865,581**	**$ 177,035**	**$ 271,147**

(continued)

STATE OF OHIO
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1988
(amounts expressed in thousands)
(continued)

	TOTAL
ASSETS	
Cash Equity with Treasurer	$ 191,536
Cash with Custodian	38,527
Deposit with Federal Government	303,850
Security Deposits	252,443
Investments	1,062,650
Receivables:	
Employer Contributions	200,465
Other	47,922
Due from Other Funds	2,584
Deposit with Deferred Compensation Plan	175,811
Other Assets	41
TOTAL ASSETS	**$ 2,275,829**
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accrued Liabilities	$ 880,433
Due to Other Funds	43,281
Refund and Other Liabilities	541,698
Liability for Deferred Compensation	177,035
Total Liabilities	1,642,447
Fund Balances:	
Reserved for:	
Pension Benefits	150,827
Unreserved/Undesignated	482,555
Total Fund Balances	633,382
TOTAL LIABILITIES AND FUND BALANCES	**$ 2,275,829**

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STATE OF OHIO

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)

	BALANCE JULY 01, 1987	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1988
HOLDING & DISTRIBUTION:				
ASSETS				
Cash Equity with Treasurer	$ 28,292	$ 493,971	$ 493,715	$ 28,548
Cash with Custodian	7,759	7,210	7,759	7,210
Due from Other Funds	—	1	1	—
Total Assets	$ 36,051	$ 501,182	$ 501,475	$ 35,758
LIABILITIES				
Due to Other Funds	$ 28,291	$ 489,690	$ 485,662	$ 32,319
Refund and Other Liabilities	7,760	4,714	9,035	3,439
Total Liabilities	$ 36,051	$ 494,404	$ 494,697	$ 35,758
PAYROLL WITHHOLDING & FRINGE BENEFITS:				
ASSETS				
Cash Equity with Treasurer	$ 158,215	$ 838,284	$ 846,534	$ 149,965
Cash with Custodian	72	6,304	6,144	232
Other Receivables	561	436	561	436
Due from Other Funds	273	604	571	306
Total Assets	$ 159,121	$ 845,628	$ 853,810	$ 150,939
LIABILITIES				
Accrued Liabilities	$ 7,260	$ 199,552	$ 198,665	$ 8,147
Due to Other Funds	10,015	104,516	103,569	10,962
Refund and Other Liabilities	141,846	534,920	544,936	131,830
Total Liabilities	$ 159,121	$ 838,988	$ 847,170	$ 150,939
TAX REFUNDS:				
ASSETS				
Cash Equity with Treasurer	$ 11,050	$ 1,069,629	$ 1,074,674	$ 6,005
Total Assets	$ 11,050	$ 1,069,629	$ 1,074,674	$ 6,005
LIABILITIES				
Accrued Liabilities	$ —	$ 489,959	$ 489,959	$ —
Refund and Other Liabilities	11,050	579,670	584,715	6,005
Total Liabilities	$ 11,050	$ 1,069,629	$ 1,074,674	$ 6,005
UNCLAIMED FUNDS:				
ASSETS				
Cash with Custodian	$ 27,458	$ 67,641	$ 76,044	$ 19,055
Investments	31,406	27,713	12,168	46,951
Other Receivables	40,833	—	—	40,833
Total Assets	$ 99,697	$ 95,354	$ 88,212	$ 106,839
LIABILITIES				
Due to Other Funds	$ 1,990	$ —	$ 1,990	$ —
Refund and Other Liabilities	97,707	95,354	86,222	106,839
Total Liabilities	$ 99,697	$ 95,354	$ 88,212	$ 106,839

	BALANCE JULY 01, 1987	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1988
STAR OHIO:				
ASSETS				
Investments	$ 879,387	$ —	$ 13,806	$ 865,581
Total Assets	$ 879,387	$ —	$ 13,806	$ 865,581
LIABILITIES				
Accrued Liabilities	$ 879,387	$ —	$ 13,806	$ 865,581
Total Liabilities	$ 879,387	$ —	$ 13,806	$ 865,581
DEFERRED COMPENSATION:				
ASSETS				
Due from Other Funds	$ 1,067	$ 33,262	$ 33,105	$ 1,224
Deposit with Deferred Compensation Plan	141,353	49,429	14,971	175,811
Total Assets	$ 142,420	$ 82,691	$ 48,076	$ 177,035
LIABILITIES				
Liability for Deferred Compensation	$ 142,420	$ 49,586	$ 14,971	$ 177,035
Total Liabilities	$ 142,420	$ 49,586	$ 14,971	$ 177,035
OTHER:				
ASSETS				
Cash Equity with Treasurer	$ 1,010	$ 22,074	$ 16,066	$ 7,018
Cash with Custodian	12,241	102,904	103,176	11,969
Security Deposits	236,264	123,935	111,402	248,797
Investments	4,240	16,839	17,723	3,356
Other Receivables	4	4	4	4
Due from Other Funds	2	33	32	3
Total Assets	$ 253,761	$ 265,789	$ 248,403	$ 271,147
LIABILITIES				
Accrued Liabilities	$ 701	$ 21,965	$ 15,961	$ 6,705
Refund and Other Liabilities	253,060	209,225	197,843	264,442
Total Liabilities	$ 253,761	$ 231,190	$ 213,804	$ 271,147
TOTAL AGENCY:				
ASSETS				
Cash Equity with Treasurer	$ 198,567	$ 2,423,958	$ 2,430,989	$ 191,536
Cash with Custodian	47,530	184,059	193,123	38,466
Security Deposits	236,264	123,935	111,402	248,797
Investments	915,033	44,552	43,697	915,888
Other Receivables	41,398	440	565	41,273
Due from Other Funds	1,342	33,900	33,709	1,533
Deposit with Deferred Compensation Plan	141,353	49,429	14,971	175,811
Total Assets	$ 1,581,487	$ 2,860,273	$ 2,828,456	$ 1,613,304
LIABILITIES				
Accrued Liabilities	$ 887,348	$ 711,476	$ 718,391	$ 880,433
Due to Other Funds	40,296	594,206	591,221	43,281
Refund and Other Liabilities	511,423	1,423,883	1,422,751	512,555
Liability for Deferred Compensation	142,420	49,586	14,971	177,035
Total Liabilities	$ 1,581,487	$ 2,779,151	$ 2,747,334	$ 1,613,304

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GENERAL FIXED ASSETS ACCOUNT GROUP

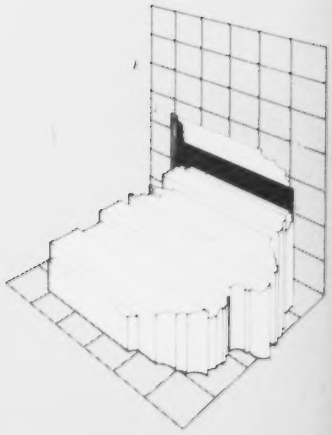
The **General Fixed Assets Account Group** accounts for fixed assets acquired or constructed for use by the State for general governmental purposes. These include all fixed assets except those accounted for in the proprietary and trust funds.

STATE OF OHIO

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY SOURCE FOR THE FISCAL YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)

	BALANCE JULY 1, 1987	ADDITIONS	RETIREMENTS	BALANCE JUNE 30, 1988
GENERAL FIXED ASSETS:				
Land	$ 141,759	$ 3,408	$ 171	$ 144,996
Buildings	937,687	29,059	7,436	959,310
Improvements Other Than Buildings	52,993	10,675	—	63,668
Machinery and Equipment	122,465	10,588	6,965	126,088
State Vehicles	128,213	21,339	9,424	140,128
Construction-in-Progress	393,459	271,572	21,647	643,384
TOTAL GENERAL FIXED ASSETS	$ 1,776,576	$ 346,641	$ 45,643	$ 2,077,574
INVESTMENT IN GENERAL FIXED ASSETS:				
ACQUIRED BEFORE JULY 1, 1987	$ 1,776,576	$ —	$ 45,643	$ 1,730,933
ACQUIRED ON OR AFTER JULY 1, 1987:				
Capital Projects Funds:				
General Obligation Bonds	—	50,064	—	50,064
Federal Grants	—	2,432	—	2,432
General Fund Revenues	—	35,255	—	35,255
Special Revenue Fund Revenues	—	34,180	—	34,180
Other Financing Sources:				
Special Obligation Bonds	—	224,683	—	224,683
Donations	—	27	—	27
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	$ 1,776,576	$ 346,641	$ 45,643	$ 2,077,574



STATISTICAL SECTION

EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST TEN FISCAL YEARS
(amounts expressed in thousands)

FUNCTION	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979
Primary, Secondary and Other Education	$ 3,573,459	$ 3,535,737	$ 3,227,248	$ 2,959,254	$ 2,709,335	$ 2,343,199	$ 2,097,053	$ 2,077,283	$ 1,978,207	$ 1,711,608
Higher Education	1,265,865	1,388,413	1,261,867	1,110,127	1,003,219	845,151	794,781	763,057	747,692	669,393
Public Assistance and Medicaid	3,764,405	3,586,311	3,352,044	2,900,380	2,767,736	2,488,881	2,229,078	1,903,602	1,554,140	1,315,155
Health and Human Services	1,432,124	1,350,835	1,321,149	1,237,187	1,155,921	1,061,025	985,575	911,881	845,408	769,041
Justice and Public Protection	661,102	667,962	586,390	539,301	461,759	417,765	364,341	329,713	308,617	275,779
Environmental Protection and Natural Resources	176,017	185,966	178,665	177,317	163,985	138,751	122,129	114,207	108,707	100,698
Transportation	1,146,734	977,707	1,013,019	902,639	705,258	691,110	590,027	560,675	555,353	550,121
General Government	252,375	316,597	313,296	331,560	239,339	218,940	193,083	263,767	264,845	278,916
Community and Economic Development	316,646	313,379	309,040	322,345	276,427	220,695	176,138	158,241	107,686	80,114
Local Government Support, Tax Relief and Other	1,549,713	1,565,702	1,778,601	1,517,946	1,446,373	1,219,683	893,986	973,394	746,297	821,697
Capital Outlay	559,221	184,389	215,192	260,846	189,142	195,996	153,221	236,549	262,990	243,369
Debt Service	629,615	245,352	235,299	226,612	235,547	162,107	167,814	163,159	155,758	160,123
Total Expenditures by Function	$15,327,276	$14,318,350	$13,791,810	$12,485,514	$11,354,041	$10,003,303	$8,767,226	$8,455,528	$7,635,700	$6,976,014

Note: This table includes expenditures for the General, special revenue, debt service, and capital projects funds. Data for fiscal year 1979 to 1987 is presented on a non-GAAP budgetary basis while data for fiscal year 1988 is shown on a GAAP basis.

STATE OF OHIO

Table 2

TAX REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST TEN FISCAL YEARS
(amounts expressed in thousands)

SOURCE	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979
Income Taxes	$3,362,694	$3,216,533	$2,775,568	$2,778,120	$2,485,954	$1,971,966	$1,243,618	$1,134,381	$1,039,728	$775,772
Sales Taxes	3,225,852	2,971,258	2,793,415	2,556,520	2,322,683	2,003,890	1,819,959	1,640,889	1,442,251	1,271,576
Corporate and Public Utility Taxes	1,419,351	1,402,726	1,436,512	1,406,597	1,256,379	1,111,992	1,134,859	1,023,889	962,312	952,429
Motor Vehicle Fuel Taxes	811,222	641,771	663,693	622,580	615,996	588,530	527,012	374,187	397,133	411,740
Other Taxes	690,210	622,138	587,944	553,606	649,010	692,810	696,973	695,670	667,890	645,951
Total Tax Revenues by Source	**$9,509,329**	**$8,854,426**	**$8,257,132**	**$7,917,423**	**$7,330,022**	**$6,369,188**	**$5,422,421**	**$4,869,016**	**$4,509,314**	**$4,057,468**

Note: This table includes tax revenues for the General, special revenue, debt service, and capital projects funds. Data for fiscal year 1979 to 1987 is presented on a non-GAAP, budgetary basis while data for fiscal year 1988 is shown on a GAAP basis.

STATE OF OHIO

Table 3

Debt Service Requirements to Maturity
on Selected Outstanding Obligations of the State
by Fiscal Year
As of June 30, 1988

Fiscal Year	Commissioners of the Sinking Fund General Obligation Bonds		OBA (b) Special Obligation & Revenue Bonds		OPFC Special Obligation Bonds	Total Debt Service		
	Highway (a)	Non-Highway	Prisons & Office Bldgs.	Transportation (c)		Principal	Interest	Total
1989	$113,607,124	$ 82,606,239	$ 104,560,674	$ 5,678,688	$ 265,427,058	$ 298,650,000	$ 273,229,783	$ 571,879,783
1990	99,392,812	65,356,996	106,390,775	5,671,788	265,147,545	287,650,000	254,309,916	541,959,916
1991	81,495,438	59,981,144	106,264,694	5,661,100	261,538,867	280,015,000	234,926,243	514,941,243
1992	70,044,938	45,873,306	106,126,299	5,650,912	261,766,430	273,465,000	215,996,885	489,461,885
1993	52,881,938	33,098,200	105,926,023	5,640,274	261,547,373	262,080,000	197,013,808	459,093,808
1994	43,266,250	24,851,708	105,714,013	5,628,237	258,947,613	259,975,000	178,432,821	438,407,821
1995	41,403,750	25,100,880	105,586,914	5,613,850	256,032,542	273,915,000	159,822,936	433,737,936
1996	35,035,000	11,079,125	105,338,337	5,596,163	249,021,261	265,445,000	140,624,886	406,069,886
1997	20,457,500	3,408,075	105,178,067	5,583,750	234,730,300	246,790,000	122,567,692	369,357,692
1998	10,600,000	----	104,851,968	5,565,188	211,129,298	222,676,650	109,469,804	332,146,454
1999	----	----	104,481,408	5,544,287	175,540,818	188,301,134	97,265,379	285,566,513
2000	----	----	104,333,681	5,519,625	145,913,025	171,792,255	83,974,076	255,766,331
2001	----	----	103,809,414	5,499,300	111,354,100	152,384,443	68,278,371	220,662,814
2002	----	----	103,581,369	5,471,412	77,039,175	133,320,000	52,771,956	186,091,956
2003	----	----	103,328,044	5,444,063	53,918,600	120,305,000	42,385,707	162,690,707
2004	----	----	103,197,871	5,414,875	29,057,650	104,625,000	33,045,396	137,670,396
2005	----	----	102,495,993	5,381,475	4,494,000	79,214,382	33,157,086	112,371,468
2006	----	----	84,475,100	5,346,250	----	64,561,194	25,260,156	89,821,350
2007	----	----	62,476,974	5,306,350	----	57,480,000	10,303,324	67,783,324
2008	----	----	33,074,878	5,263,688	----	31,810,000	6,528,566	38,338,566
2009	----	----	21,805,791	----	----	17,095,000	4,710,791	21,805,791
2010	----	----	16,872,725	----	----	13,275,000	3,597,725	16,872,725
2011	----	----	16,867,250	----	----	14,130,000	2,737,250	16,867,250
2012	----	----	16,856,850	----	----	14,990,000	1,866,850	16,856,850
2013	----	----	11,781,100	----	----	10,780,000	1,001,100	11,781,100
2014	----	----	6,987,100	----	----	6,530,000	457,100	6,987,100
TOTAL	$568,184,750	$351,355,673	$2,052,363,312	$110,481,275	$3,122,605,655	$3,851,255,058	$2,353,735,607	$6,204,990,665

(a) Debt service on highway bonds is paid entirely from highway user receipts which are constitutionally restricted in use to highway related purposes.
(b) Assumes debt service on certain series of $406,000,000 of bonds issued as variable rate bonds either a 9.5% fixed annual interest rate, or a 15% fixed annual interest rate as required by the applicable bond proceedings.
(c) Lease rentals to be paid from highway user receipts.

Table 4

STATE OF OHIO

PERSONAL INCOME
FOR THE LAST TEN CALENDAR YEARS

Calendar Year	Ohio's Total Personal Income (in millions)	Percent Change	Per Capita Personal Income	
			Ohio	United States
1978	$ 87,514		$ 8,107	$ 8,136
1979	96,736	+10.5%	8,958	9,033
1980	105,035	+ 8.6%	9,723	9,919
1981	113,969	+ 8.5%	10,552	10,949
1982	117,766	+ 3.3%	10,927	11,480
1983	123,972	+ 5.3%	11,542	12,098
1984	134,761	+ 8.7%	12,545	13,114
1985	142,033	+ 5.4%	13,219	13,895
1986	148,929	+ 4.9%	13,857	14,606
1987	157,580	+ 5.8%	14,612	15,481

Source: U.S. Department of Commerce, Bureau of Economic Analysis

STATE OF OHIO

Table 5

POPULATION BY AGE GROUP

OHIO

Age Group	1970	Percent	1980	Percent
Under 5 years	921,030	8.7%	787,150	7.3%
5 through 19 years	3,198,880	30.0%	2,715,784	25.2%
20 through 44 years	3,348,132	31.4%	3,928,118	36.4%
45 through 64 years	2,186,281	20.5%	2,197,118	20.3%
65 years and over	997,694	9.4%	1,169,460	10.8%
	10,652,017	100%	10,797,630	100%

Source: General Population Characteristics -- Ohio, 1980 Census of Population, U.S. Bureau of Census

UNITED STATES

Age Group	1970	Percent	1980	Percent
Under 5 years	17,154,337	8.4%	16,348,254	7.2%
5 through 19 years	59,816,063	29.4%	56,110,209	24.8%
20 through 44 years	64,366,255	31.7%	84,035,253	37.1%
45 through 64 years	41,809,769	20.6%	44,502,662	19.6%
65 years and over	20,065,502	9.9%	25,549,427	11.3%
	203,211,926	100%	226,545,805	100%

Source: General Population Characteristics -- United States Summary, 1980 Census of Population, U.S. Bureau of Census

OHIO'S TOTAL POPULATION AS A PERCENTAGE OF U.S. TOTAL POPULATION

1970			1980		
Ohio	U.S.	Percent	Ohio	U.S.	Percent
10,652,017	203,211,926	5.2%	10,797,630	226,545,805	4.8%

AVERAGE MONTHLY UNEMPLOYMENT RATES
LAST TEN CALENDAR YEARS AND FIRST HALF OF CALENDAR 1988

Calendar Year	Ohio	United States
1978	5.4%	6.0%
1979	5.9%	5.8%
1980	8.4%	7.1%
1981	9.6%	7.6%
1982	12.5%	9.7%
1983	12.2%	9.6%
1984	9.4%	7.5%
1985	8.9%	7.2%
1986	8.1%	7.1%
1987	7.0%	6.2%
1988 (First Half) (a)	6.7%	5.8%

Source: Ohio Bureau of Employment Services

(a) Subject to revision, not seasonally adjusted

STATE OF OHIO

Table 7

List of Major Industrial Corporations That Maintain Headquarters in Ohio

American Greetings Corporation (Cleveland)

A. Schulman Incorporated (Akron)

B.F. Goodrich Company (Akron)

Carlisle Corporation (Cincinnati)

Champion Spark Plug Company (Toledo)

Cincinnati Milacron Incorporated (Cincinnati)

Cleveland-Cliffs Incorporated (Cleveland)

Cooper Tire & Rubber (Findlay)

Dana Corporation (Toledo)

Eagel-Picher Industries Incorporated (Cincinnati)

Eaton Corporation (Cleveland)

Ferro Corporation (Cleveland)

Gencorp (Fairlawn)

Goodyear Tire & Rubber Company (Akron)

Lubrizol Corporation (Wickliffe)

M.A. Hanna Company (Cleveland)

Mead Corporation (Dayton)

NCR Corporation (Dayton)

Ohio Mattress (Cleveland)

Owens-Corning Fiberglas Corporation (Toledo)

Owens-Illinois Incorporated (Toledo)

Parker Hannifin Corporation (Cleveland)

Penn Central Corporation (Cincinnati)

Philips Industries Incorporated (Dayton)

Proctor & Gamble Company (Cincinnati)

Reliance Electric Company (Cleveland)

Reynolds & Reynolds Company (Dayton)

Rubbermaid Incorporated (Wooster)

Sherwin-Williams Company (Cleveland)

Standard Products Company (Cleveland)

Standard Register Company (Dayton)

The Standard Oil Company (Cleveland)

Timken Company (Canton)

Trinova Corporation (Maumee)

TRW Incorporated (Cleveland)

United Brands Company (Cincinnati)

Worthington Industries Incorporated (Columbus)

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